

City of Rockville Pension Fund

**Analysis of Investment Performance
through March 31, 2009**



**George Kiriakos
Vice President**

June 2009

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June 23, 2009

Board of Trustees
City of Rockville Pension Fund
111 Maryland Avenue
Rockville, MD 20854

Dear Board of Trustees:

This report presents our updated analysis of the City of Rockville Pension Fund's investment performance and traces the growth of assets through March 31, 2009. It is based on data provided to us by your custodian and the various investment managers. The report illustrates the investment performance of the overall Fund and also shows results by asset class and by individual manager in comparison with the various performance benchmarks defined in the Fund's statement of guidelines and objectives.

We hope you find this report useful as a tool for monitoring the performance of the Fund as well as a basis for discussion of the investment issues surrounding the investment program. We look forward to reviewing this report with you and answering any questions you may have.

Sincerely,



George Kiriakos
Vice President

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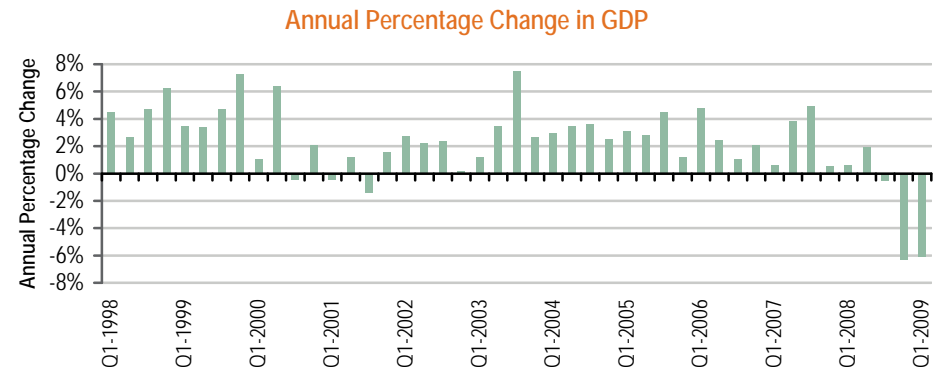
Financial Market Conditions: Review of First Quarter 2009

The Economy: Key Indicators

Page 1 and page 2 focus on Segal Advisors' commentary on select economic indicators for first quarter (Q1) 2009.

GDP Growth Negative

As shown in the adjacent graph, during Q1 2009 Gross Domestic Product (GDP) declined at a 6.1 percent annualized rate, which was much greater than the consensus expectation of a 5.0 percent decline. In addition, GDP for Q4 2008 was revised downwards from -3.8 percent to -6.3 percent. This was the steepest two-quarter drop in GDP since 1958. Overseas demand for U.S.-produced goods and services decreased dramatically and business investments declined. Although inventories dropped dramatically, firms typically quickly increase production as demand becomes apparent, which could result in a return to growth. On a positive note, consumer spending increased in Q1; however, if job losses do not slow, consumers could again cut back on spending.



Source: Bureau of Economic Analysis

Inflation Decreases

CPI: Percentage Change Year over Year



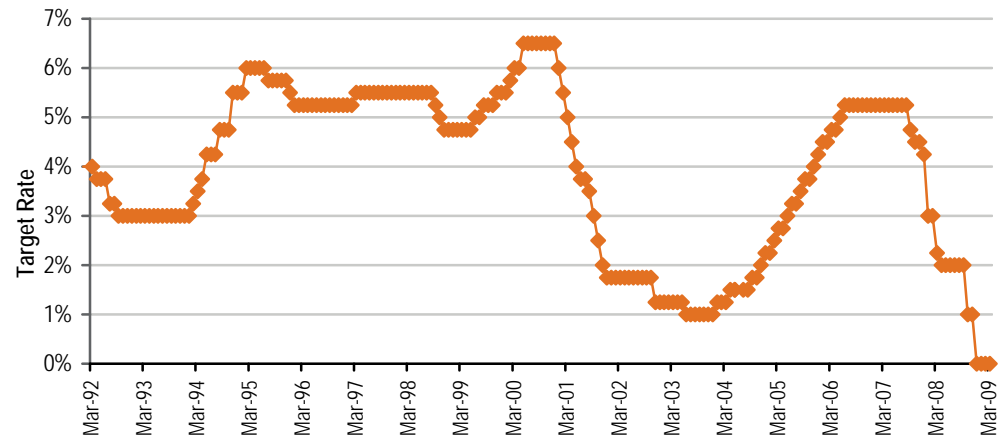
In March 2009, headline consumer price index (CPI) decelerated, declining by 0.1 percent from February and by 0.4 percent on a year-over-year basis. During January and February of 2009, top-line inflation increased due to rising energy prices, while falling energy prices in March pushed the CPI back into deflation territory.

The core index, which excludes food and energy prices, remained level during the first three months of 2009. This indicates that most prices for services and commodities are not deflating, but are also not rising at a rate that would strain consumer budgets. The adjacent graph shows CPI since March 1992.

Source: Bureau of Labor Statistics

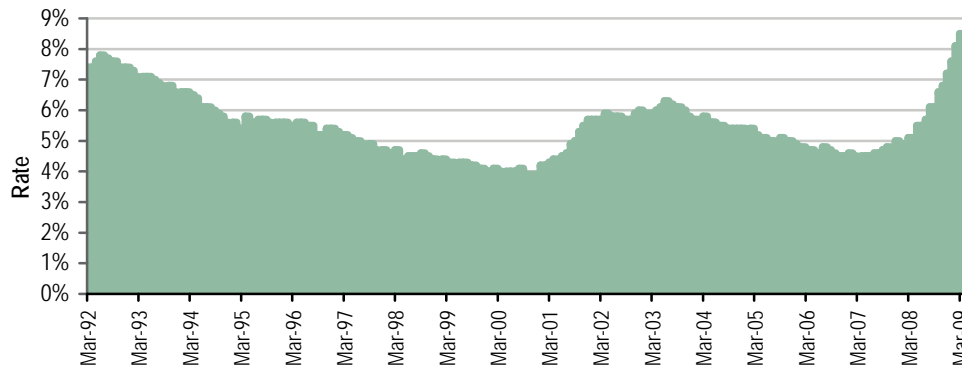
Fed Funds Target Rate

During Q1 2009, the Federal Reserve kept the fed funds target rate steady at 0-0.25 percent to counter the deflationary pressures created by the current recession and to maintain liquidity in the market. After its meeting on March 18, the Fed announced its plan to purchase up to \$300 billion of outstanding Treasury issues and up to \$750 billion of Agency mortgage-backed securities over the next six months in an effort to keep real borrowing rates low. The adjacent graph shows the fed funds target rate since March 1992.



Source: Federal Reserve Board

Labor Market Contraction and the Unemployment Rate



Source: Bureau of Labor Statistics

The labor market continued to contract during Q1 2009. The unemployment rate increased to 8.5 percent, the highest rate since 1983. During the quarter, payroll employment fell by 2.1 million jobs. Since the start of the recession in December of 2007, the employment base contracted by 5.1 million jobs, or 3.7 percent, as employers cut payrolls in order to decrease expenses.

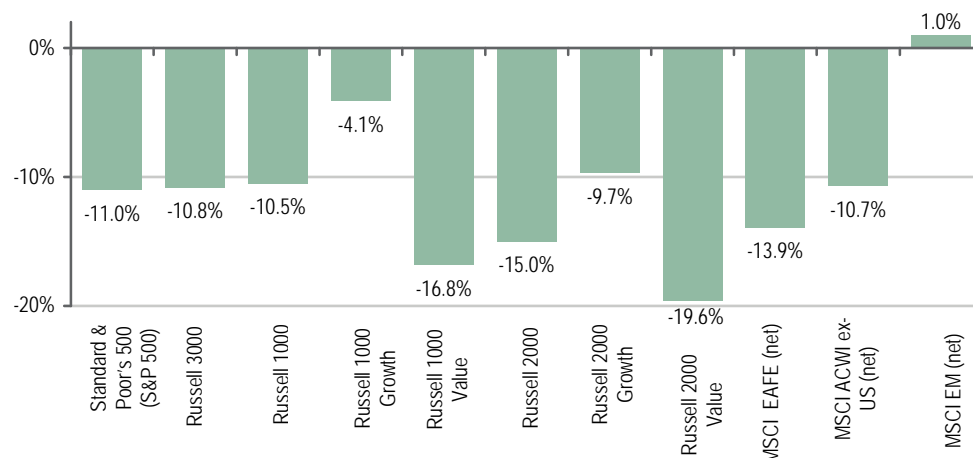
Job losses were broad across almost every sector of the economy, with healthcare the only industry that did not experience a contraction. The largest losses were in manufacturing, construction, and business services. The adjacent graph shows the unemployment rate since March 1992.

Investment Performance: Selected Rates of Return

This page presents rates of return for selected equity, fixed income, and other indices. The graphs illustrate returns for Q1 2009. The tables of data show returns for the latest quarter, year-to-date (YTD), one-, three-, five- and 10-year annualized timeframes. All data in the tables are percentages.

Equity Index Returns

Equity Index Returns: Q1 2009

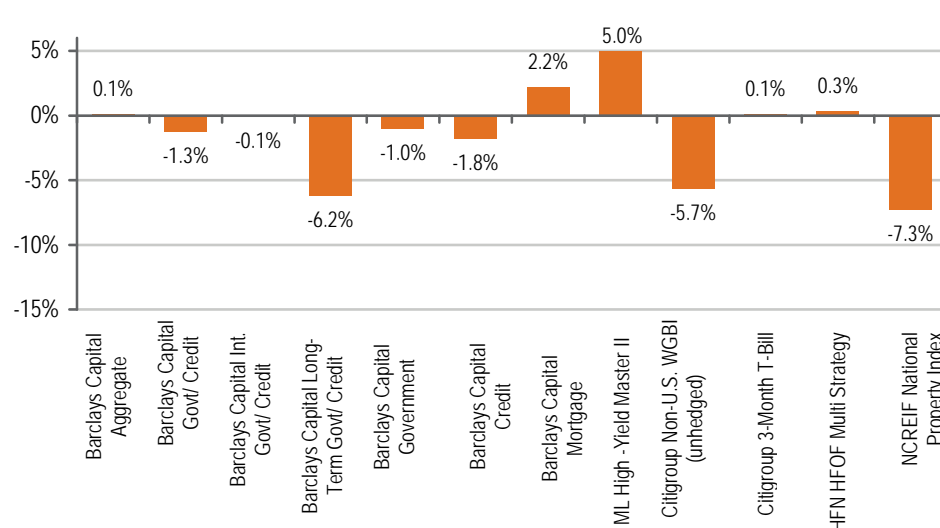


*Index represents the return of the benchmark net of dividends paid on the stocks.

Equity Indices	Quarter	YTD	1-year	3-year	5-year	10-year
Standard & Poor's 500	-11.0	-11.0	-38.1	-13.1	-4.8	-3.0
Russell 3000	-10.8	-10.8	-38.2	-13.6	-4.6	-2.3
Russell 1000	-10.5	-10.5	-38.3	-13.2	-4.5	-2.6
Russell 1000 Growth	-4.1	-4.1	-34.3	-11.3	-4.4	-5.3
Russell 1000 Value	-16.8	-16.8	-42.4	-15.4	-4.9	-0.6
Russell 2000	-15.0	-15.0	-37.5	-16.8	-5.2	1.9
Russell 2000 Growth	-9.7	-9.7	-36.4	-16.2	-5.4	-1.6
Russell 2000 Value	-19.6	-19.6	-38.9	-17.5	-5.3	4.9
MSCI EAFE (net)*	-13.9	-13.9	-46.5	-14.5	-2.2	-0.8
MSCI ACWI ex-U.S. (net)*	-10.7	-10.7	-46.5	-13.2	-0.7	0.5
MSCI EM (net)*	1.0	1.0	-47.1	-8.2	5.9	7.8

Fixed-Income and Other Index Returns

Fixed Income and Other Index Returns: Q1 2009



Fixed Income Indices	Quarter	YTD	1-year	3-year	5-year	10-year
Barclays Capital Aggregate	0.1	0.1	3.1	5.8	4.1	5.7
Barclays Capital Govt/Credit	-1.3	-1.3	1.8	5.5	3.7	5.6
Barclays Capital Intermediate Govt/Credit	-0.1	-0.1	2.0	5.6	3.7	5.4
Barclays Capital Long-Term Govt/Credit	-6.2	-6.2	1.0	4.9	3.9	6.3
Barclays Capital Government	-1.0	-1.0	7.0	8.1	5.2	6.2
Barclays Capital Credit	-1.8	-1.8	-5.2	1.8	1.6	4.7
Barclays Capital Mortgage	2.2	2.2	8.1	7.6	5.6	6.2
ML High-Yield Master II	5.0	5.0	-20.3	-5.0	-0.3	2.4
Citigroup Non-U.S. WGBI (unhedged)	-5.7	-5.7	-6.4	7.4	4.4	5.5
Citigroup 3-Month T-Bill	0.1	0.1	1.1	3.4	3.1	3.2
Other Indices						
HFN HFOF Multi-Strategy	0.3	0.3	-17.0	-2.8	1.3	6.2
NCREIF National Property Index	-7.3	-7.3	-14.7	4.2	9.4	9.4

Investment Performance: Equity Sector and Yield Spread Analysis

This page presents data on sector and spread analysis for Q1 2009 alongside commentary from Segal Advisors.

Equity Sector Analysis

The financial sector continued its downturn, experiencing the worst quarterly decline of all the sectors in the S&P 500 Index. It contributed -3.3 percent to the -11.0 percent total Index loss. All sectors experienced negative absolute returns, except for the information technology sector, which contributed positively to the S&P 500 Index. See the adjacent table.

S&P 500 Sector Performance

	First Quarter 2009		
	Ending Weight (%)	Return (%)	Contribution (%)
Consumer Discretionary	8.6	-8.0	-0.6
Consumer Staples	12.8	-10.5	-1.4
Energy	13.2	-11.4	-1.6
Financials	10.7	-28.1	-3.3
Health care	15.3	-8.0	-1.4
Industrials	9.8	-20.9	-2.5
Information Technology	18.0	4.4	0.8
Materials	3.3	-1.7	0.0
Telecom	4.0	-7.1	-0.2
Utilities	4.2	-10.8	-0.6

Source: Standard & Poor's

Option Adjusted Spreads

OAS in Basis Points (bps)

	Option Adjusted Spreads		
	9/30/08	12/31/08	3/31/09
U.S. Aggregate Index	176	213	187
U.S. Agency (Non-mortgage) Sector	115	93	78
Mortgage and ABS Sectors:			
• Mortgage-Backed Securities	135	145	102
• Asset-Backed Securities	584	955	706
• CMBS	480	1010	1049
Credit Sectors:			
• U.S. Investment Grade	385	493	543
– Industrial	325	500	422
– Utility	335	537	440
– Financial Institutions	613	629	769
• U.S. High Yield	1020	1669	1514

Source: Baird Advisors using Barclays Capital Data

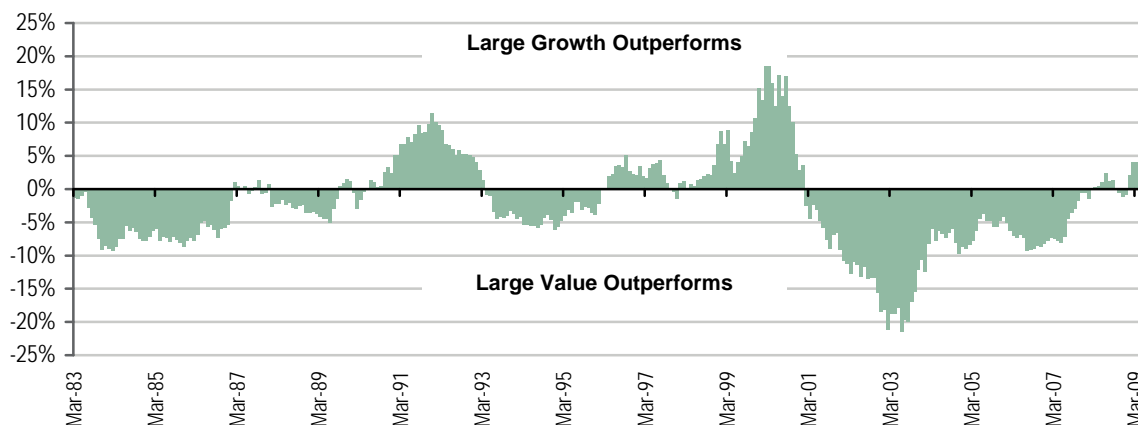
Yield spreads of non-Treasury sectors were mixed in Q1 2009. Government purchases of Agency debentures and Agency mortgage-backed securities in the first quarter contributed to spread tightening in these sectors by 15 bps and 43 bps, respectively, while liquidity provided by TALF helped ABS spreads to tighten by 249 bps. Investment grade corporate spreads widened overall by 50 bps (to 543 bps from 493 bps) on downgrades and write-down concerns in the finance sector despite tightening in industrials and utilities. CMBS spreads were very volatile during the quarter but finished marginally wider (+39 bps to 1049 bps from 1010 bps) once the Government revealed its intentions to help purchasers of AAA-rated CMBS.

Investment Performance: Long-Term Equity Trends

Page 5 and page 6 focus on Segal Advisors' observations on the relative performance of selected indices. All of the graphs on this page show rolling three-year return deviations from March 1983 through March 2009. These graphs demonstrate the importance of diversification over the long term. Changes are expressed in terms of percentages and/or basis points (bps).

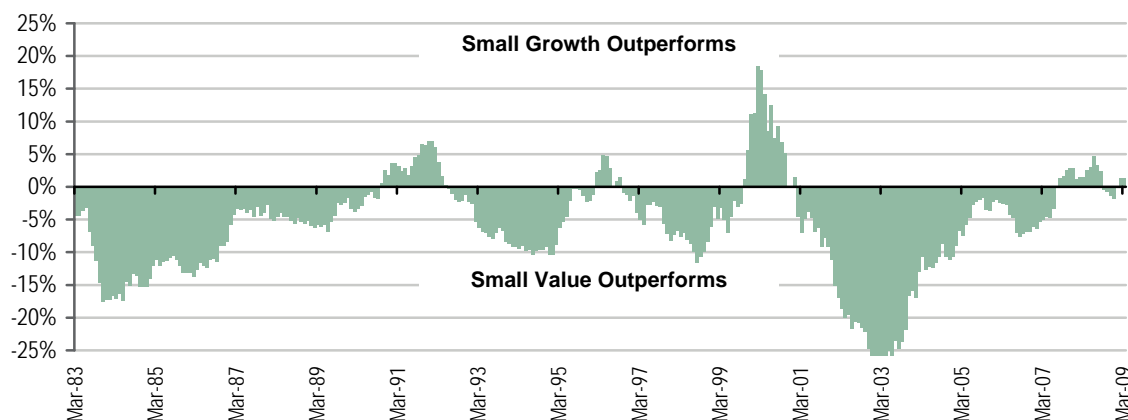
Large Growth Stocks vs. Large Value Stocks

After a short period of underperformance, large growth stocks once again outperformed large value stocks, as the Russell 1000 Growth (R1000G) outpaced the Russell 1000 Value (R1000V) during Q1 2009. The R1000G significantly outpaced the R1000V on a trailing one-year basis (+841 bps) and on a trailing three-year basis (+410 bps). The adjacent graph compares the rolling three-year returns for both indices. Since the inception of these indices in January 1979, the R1000V increased 11.0 percent and the R1000G increased 9.4 percent, a difference of 160 bps.



Source: Russell Investments

Small Growth Stocks vs. Small Value Stocks

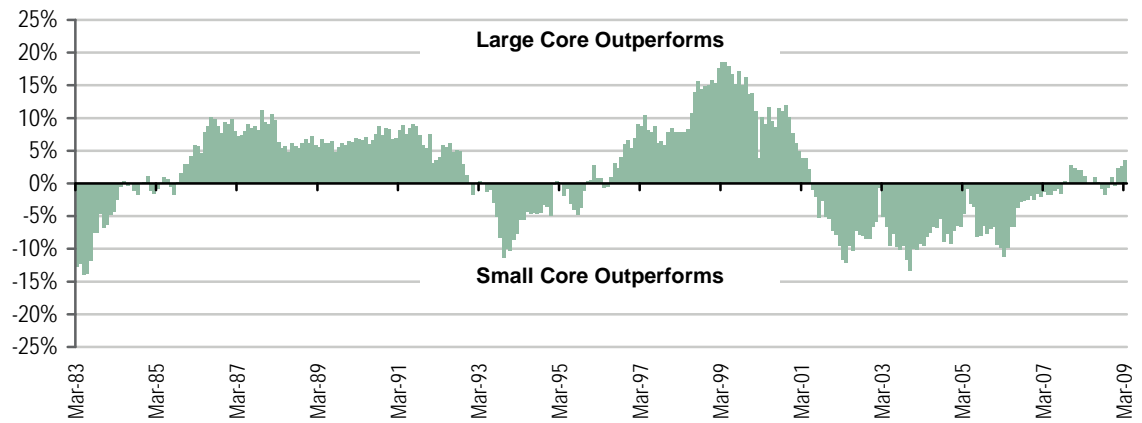


Source: Russell Investments

Similar to large cap stocks, the Russell 2000 Growth (R2000G) outpaced the Russell 2000 Value (R2000V) during Q1 2009, after a short period in which growth had underperformed. The R2000G outperformed the R2000V on a trailing one-year (+254 bps) and a trailing three-year basis (+130 bps), after four months of underperformance. The adjacent graph compares the rolling three-year returns for both indices. Since the inception of these indices in January 1979, the R2000V increased 12.2 percent and the R2000G increased 7.6 percent, a difference of 452 bps.

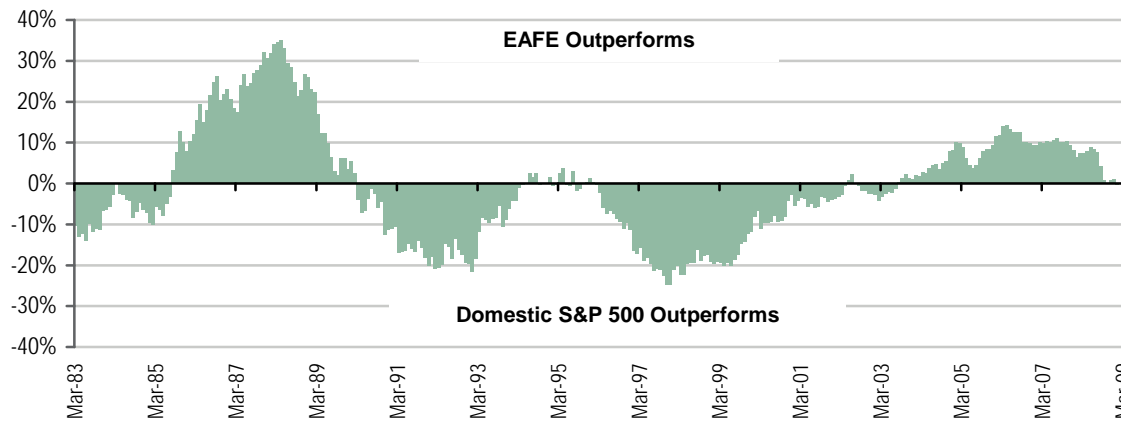
Large Stocks vs. Small Stocks

As seen in past economic recessions, there tend to be multiple inflection points between small cap stocks and large cap stocks before the emergence of a long-term trend. The current downturn has been no different. After a short run of small cap stocks outperforming, the Russell 1000 (R1000) outpaced the Russell 2000 (R2000) on a trailing one-year basis (450 bps) and on a trailing three-year basis (360 bps). The adjacent graph compares the rolling three-year returns for both indices. Since the inception of these indices in January 1979, the R1000 increased 10.5 percent and the R2000 increased 10.1 percent, a difference of 35 bps.



Source: Russell Investments

Foreign Stocks vs. U.S. Stocks



Sources: Morgan Stanley Capital International and Standard & Poor's

The most recent quarter marked the first time in roughly five years that domestic stocks outperformed international stocks on a rolling three-year basis. For the trailing one-year, the S&P 500 Index continued to outpace the MSCI EAFE Index by 842 bps and outperformed the international index by 140 bps for the trailing three-year period. Since January 1979, the S&P 500 increased 10.5 percent and the EAFE increased 8.3 percent, a difference of 220 bps. The adjacent graph compares the rolling three-year returns for both indices.

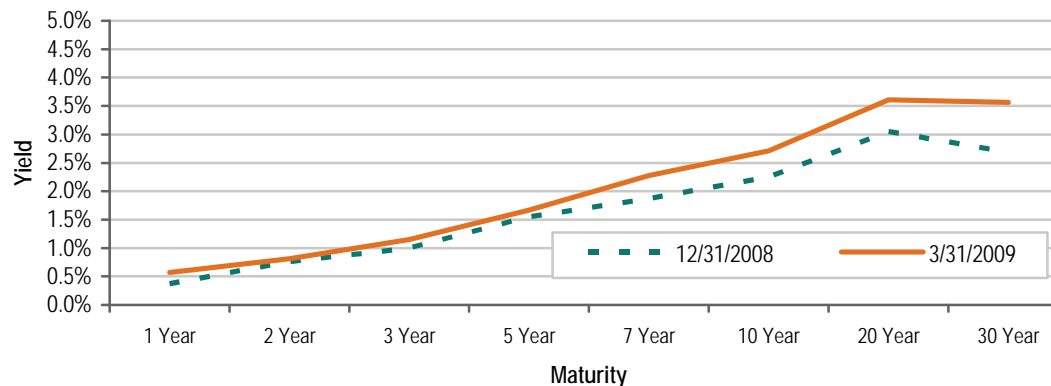
Investment Performance: Fixed Income and Alternative Asset Class Data

Page 7 and page 8 focus on selected fixed-income and alternative asset class data along with Segal Advisors' commentary.

Continued Yield Curve Steepening

During Q1 2009, Treasury yields recovered from the historic low levels experienced at the end of December. In addition, the curve steepened significantly by the end of March, as the difference between the 2- and 30-year Treasury yields jumped to 2.7 percent on March 31 from 1.9 percent at the end of Q4 2008.

Through March 17, Treasury yields rose as supply concerns and attractive yields offered by non-Treasury sectors depressed investor demand. At its March 18 meeting, the Fed announced its plan to buy outstanding Treasuries, which helped lower the yields across the curve by 14-35 bps from the year to date highs reached on February 28.



Source: U.S. Treasury Department

Moderate Tightening of Credit Spreads

Moody's Corporate-Treasury Bond Spread Baa 10-Yr Constant Maturities



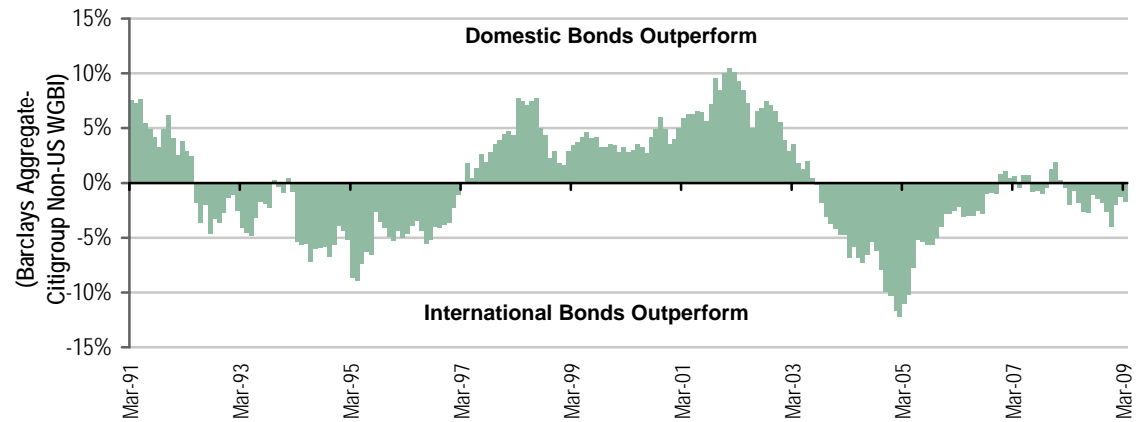
Source: Moody's Economy.com

During Q1 2009, credit spreads came in from their historical highs but still ended the quarter at 560 bps over Treasuries. The initial tightening of spreads can be attributed to an increased appetite for risk exhibited by investors. As the economic fundamentals continued to deteriorate, spreads widened from a year to date low of 521 bps at the end of February to 560 bps at the end of March.

International Bond and Domestic Bond Performance

In a reversal from Q4 2008, domestic bonds outperformed international bonds in Q1 2009, which highlights the uncertainty present in the various economies across the world. On a rolling three-year basis, global bonds have outperformed domestic bonds for 14 consecutive months but continue to lag on a rolling ten-year basis. See the adjacent graph.

Performance of U.S. Bonds vs. International Bonds: Rolling Three-Year Return Deviations
March 1991 – March 2009



Source: Barclays Capital and Citigroup

Private Real Estate Sector and Region Performance

National Property Index Sector and Region Performance

	Returns as of the First Quarter 2009		
	% Weight of Index	Quarter (%)	1-year (%)
NCREIF NPI Total Return	100%	-7.3	-14.7
Sector			
Apartment	24.1	-8.7	-16.4
Hotel	1.8	-8.6	-18.2
Industrial	15.6	-7.5	-14.1
Office	37.1	-8.0	-16.3
Retail	21.4	-4.3	-9.5
NCREIF Region			
East	33.2	-8.4	-17.0
Midwest	10.1	-5.6	-11.5
South	21.0	-5.8	-11.3
West	35.6	-7.7	-15.2

Source: National Council of Real Estate Investment Fiduciaries (NCREIF)

The NCREIF NPI lost 7.3 percent for Q1 2009 and 14.7 percent for the trailing one-year period. The Q1 2009 loss was slightly better than the Q4 2008 loss of 8.3 percent, which was the worst quarterly decline since NCREIF started compiling results in 1978. The apartment, hotel, and office sectors were hit the hardest, due to decreased property values, decrease in leisure and business travel, and reduced space usage by companies. The regions with the largest declines were the East and the West, both of which had experienced the greatest value appreciation during the recent real estate boom.

Quarterly Highlights: Noteworthy Developments

Segal Advisors finds the Q1 2009 developments discussed below to be noteworthy for institutional investors.

Part-Time Employment

In March of 2009, the number of Americans working part-time for economic reasons, sometimes referred to as involuntary part-time workers, climbed by 423,000 to 9.0 million. "Part-time for economic reasons" includes individuals who would like to work full-time but were working part-time because their hours had been cut back or because they were unable to find full-time jobs. While many economists closely follow the unemployment rate and changes in payrolls, this statistic may understate how companies are reducing costs during this economic downturn. Many employers are cutting hours to reduce costs, with the average workweek reaching a new low of 33.2 hours in March of 2009. American businesses are also experimenting with furloughs, or temporary leaves of absence. Some economists say that alternatives to layoffs, including furloughs, pay cuts, and reduced workweeks, help to slow the recession's downward trend by preserving jobs, despite lower wages.



Source: US Bureau of Economic Analysis

World GDP and Trade

World GDP & Trade, Percentage Change Over Previous Year



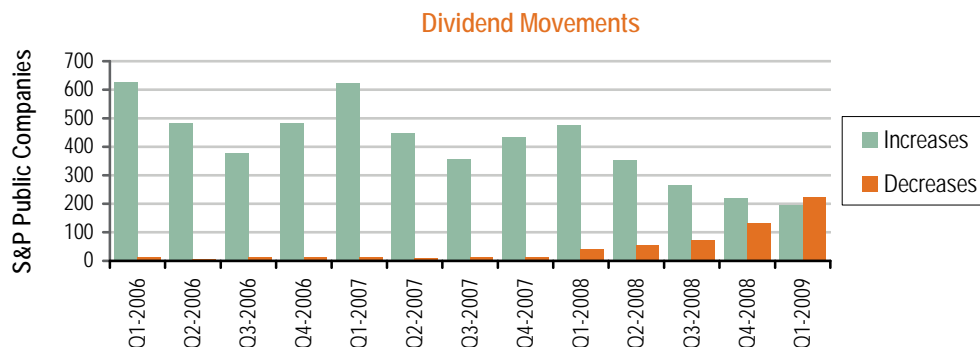
Source: International Monetary Fund (IMF)

As a result of the global recession, the demand for goods and services has collapsed worldwide. An estimated shortfall of \$100 billion in trade finance, which facilitates 90 percent of world trade, has added an additional squeeze. Trade is currently contracting at a rate unmatched in the post-war period. According to the International Monetary Fund, world trade will contract by 11 percent in 2009*. This will be the first decline in trade flows since 1982. Between 1990 and 2006, trade volumes grew by more than 6 percent a year, easily outstripping the growth rate of world output, which was about 3 percent (see adjacent chart). Currently, the global economic machine has reversed: output is declining and trade is tumbling at a faster pace. The economic turmoil has shaken commerce in goods of all sorts, bought and sold by rich and poor countries alike.

* World GDP and world trade volume of goods & services data for 2009 is a forecast.

Dividend Movements

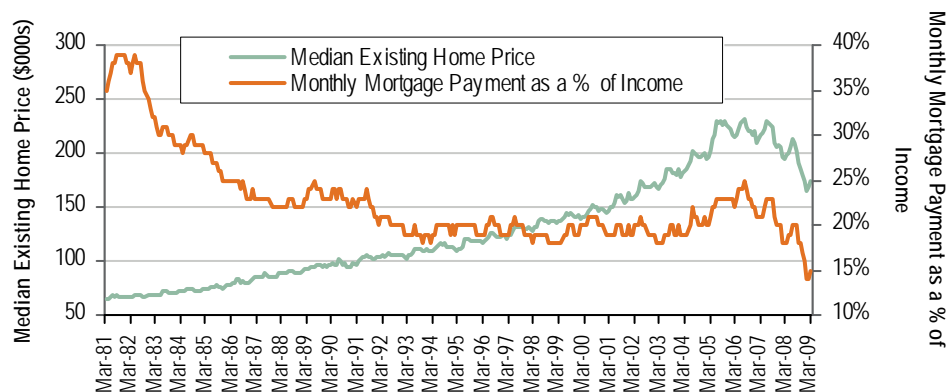
The adjacent chart displays the dividend movements by public companies tracked by Standard & Poor's. The first quarter of 2009 marks the worst quarter for dividend adjustments since 1955, when Standard & Poor's started calculating such data. These movements are a direct result of the current economic environment, as many companies reevaluated their dividend policy, leading to fewer companies increasing their dividends, and additional companies decreasing dividends. Q1 2009 is the only period in which company dividend decreases outpaced dividend increases.



Source: Standard & Poor's

Housing Affordability

National Association of Realtors Housing Affordability Index



Source(s): National Association of Realtors, CBRE

The National Association of Realtors (NAR) affordability index measures whether or not a typical family could qualify for a mortgage loan on a typical home. A typical home is defined as the national median-priced (\$174,900 as of March 31, 2009) existing single-family home. The typical family is defined as one earning the median family income as reported by the U.S. Bureau of the Census (\$61,056 as of March 31, 2009). The prevailing mortgage interest rate is the effective rate on loans closed on existing homes from the Federal Housing Finance Board and HSH Associates. As of March 31, 2009, conventional 30-year, fixed-rate, mortgage loans of \$417,000 or less increased 2 bps during March to 5.05 percent.

As seen in the adjacent chart, the median-priced existing home and the monthly mortgage payment, as a percent of income, bounced off recent lows set in January 2009 (\$164,200 and 14.1%, respectively). The median-priced existing home previously achieved this level in February 2003. The monthly mortgage payment, as a percent of income, has historically (as calculated by NAR) never been at this low of a level - implying that existing homes are more affordable.

Global Government Response: Injections and Stimulus

The table below compares the U.S. federal government's liquidity injections and stimulus initiatives to strategies in response to the global recession used through Q1 2009 by selected other countries and the European Union (EU), grouped by region.

Country	GDP (\$ Billion)	Liquidity Injections Lending Guarantees	Bank Recapitalization	Other Asset Purchases	Monetary Stance	Fiscal Stimulus	Estimated Cost of Fiscal Stimulus
United States of America	14,330	All senior debt issued by banks over next 3 years, estimated at \$1.4 tril	\$290 bil from Troubled Asset Relief Program, includes Capital Purchase Program and Target Investment Program.	Commercial paper, GSE debt and MBS, student loans, credit card securitization, small business loans, auto loans (TALF); estimated cost: \$3.5 tril.	Aggressively easing; FOMC sets fed funds target range at 0% to 0.25%, a historic low.	Economic Stimulus package of 2008 and American Recovery Reinvestment Act of 2009; combined two fiscal packages total roughly \$1 tril (7% of nominal GDP); they include: tax cuts targeted at lower- and middle-income households; aid to state governments coping with huge budget gaps, and infrastructure spending.	\$1,000 bil
Canada	1,564	Creation of Canadian Lenders Assurance Facility insuring new issues of certain senior unsecured wholesale debt; central bank accepts non-mortgage loan portfolios as collateral for new Term Loan Facility on temporary basis.		Purchase of up to \$75 bil in insured mortgage pools.	Aggressively easing; 0.5%, its lowest level ever; 400 basis points of easing since Dec 07; quantitative easing now expected.	C\$40 bil fiscal stimulus package over the next two years; 1.5% of 2009 GDP, includes personal tax relief, extended unemployment insurance benefits, infrastructure program spending projects and home renovation tax credits to help housing industry; also loans to auto industry.	\$32 bil
Brazil	1,665	Central bank has provided liquidity.		Central bank and government helped banks and companies to refinance external debt.	Easing; Selic rate cut by 100 bps to 12.75%.	Government to spend on infrastructure.	\$20 bil
United Kingdom	2,787	Up to £250 bil available from central bank in loan guarantees for all new bank debt; additional £185 bil available to swap illiquid assets for Treasury bills; deposit guarantees for savers increased from £35,000 to £50,000; £100 bil guarantee of mortgage-backed debt; £21.3 bil guarantee bank loans to small- and medium-sized enterprises; £2.5 bil in loan guarantees to auto industry.	£25 bil in permanent capital for banks with additional £25 bil available as stand-by; £37 bil used in recapitalisation of Royal Bank of Scotland, Lloyds TSB and HBOS	£50 bil allocated to the Asset Purchase Facility.	Extremely accommodative; main repo rate now at a record low 0.5%.	£20 bil. stimulus package (around 1% of GDP) focused mainly on shoring up the decline in domestic demand by lowering taxes, including a temporary reduction in the VAT from 17.5% to 15%. To aid the domestic housing market, the government has allocated £1 billion in housing-related initiatives.	\$28.6 bil
EU27	18,850	EU members buy preferred shares; guarantee private bank deposits up to €50,000 and new bank debt until end of 2009; ECB offers unlimited liquidity at auctions.			Aggressively easing; 2.0%; 4th rate cut since Oct 08, with more cuts expected.	EU finance ministers ruled out joint fiscal stimulus package but €200 bil package of co-ordinated national measures has been loosely agreed on, though it's not binding.	\$256 bil (€200 bil)

Country	GDP (\$ Billion)	Liquidity Injections Lending Guarantees	Bank Recapitalization	Other Asset Purchases	Monetary Stance	Fiscal Stimulus	Estimated Cost of Fiscal Stimulus
Germany	3,818	€100 bil to lend to businesses that have difficulty obtaining financing at reasonable rates, on top of €500 bil to guarantee bank debt; €50 bil bailout of major bank; State of Hesse provided €500 mil credit guarantee to Opel, German arm of General Motors	€100 bil.		Follows ECB.	€50 bil on top of previously announced €32 bil; includes infrastructure spending, lower health insurance payments, reduction of lowest income-tax rate, & one-off bonus payments in child allowance.	\$104.96 bil (or €82 bil)
France	2,978	Bank debt guarantee of €320 bil.	€10.5 bil bank bailout plan announced in 08; government to subscribe to subordinated debt issued by Credit Agricole for €3 bil; BNP Paribas, for €2.55 bil; Societe Generale for €1.7 bil; Credit Mutuel for €1.2 bil; €1.1 bil in loans to Caisse d'Epargne, and €950 mil to Banque Populaire; additional €10.5 bil in bank bailout funds recently announced.		Follows ECB.	About €30 bil., or 1.3% of GDP; focus is on industry (€6 bil earmarked for automotive sector; €7 bil to support lenders to finance French exports) with €2.6 bil in 09 to help struggling households.	\$38.4 bil
Japan	4,844	¥13 tril to stabilize financial system including additional ¥3 tril to buy commercial paper.	Some portion of the ¥13 tril to stabilize financial system will be used to recapitalize struggling banks.		Easing; policy rate set at 0.1%.	Around ¥40 tril in spending announced in three stimulus packages (Aug, Sept and Dec), though some repackaging (or double counting) could be present; includes help for laid-off workers, tax cuts for homeowners and companies that invest, more business loans, grants to local governments to support job creation, financial system injections, new credit guarantees for small and mid-sized companies, and 12,000 yen cash payments to individuals.	Around \$420 bil (¥40 tril), though some double counting could be present
China	4,222				Easing; 5.58%, 189 bps cut since Sep 08.	Central government to spend 4 tril yuan (\$586 bil) on low-income housing, electricity, water, rural infrastructure, disaster relief, transport, environmental protection and technological innovation projects; provincial governments to add additional 10 tril yuan (\$1.464 tril) stimulus.	\$2,050 bil
Australia	1,069	Guarantee (i) all bank deposits under A\$1 mil, and (ii) borrowing from overseas.		A\$8 bil to buy RMBS.	Easing; 3.25%, 400 bps in rate cuts since September.	A\$10.4 bil (1% of GDP) announced in October 08, including: one-off payments to pensioners, carers, and families; increased first-home buyer allowances; additional A\$42 bil (over four years) announced in February, including one-off payments to families and workers; infrastructure expenditure on schools, social, defense, housing and roads.	\$33 bil (A\$52.4 bil)

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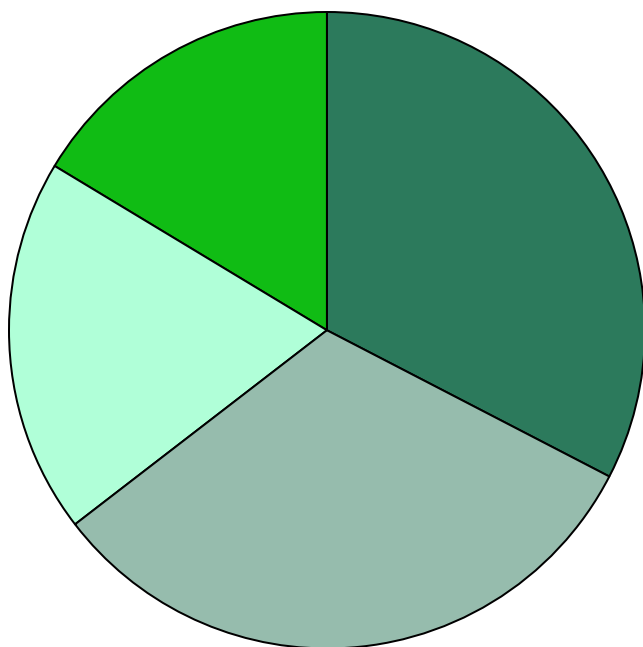
Investment Manager Roster

Investment Manager	Mandate	Benchmark	Inception Date
Principal Global Investors, LLC	Large Cap	S&P 500 Index	01/01/1995
Manning & Napier Advisors, Inc.	Small Cap	Russell 2000 Index	04/01/2008
Principal Global Investors, LLC	International Core	MSCI EAFE Net Index	01/01/1995
Principal Global Investors, LLC	Fixed Income Core	Barclays Capital Aggregate Bond Index	01/01/1995
Prudential Real Estate Investors	Real Estate	NCREIF ODCE Equal Weighted Index	04/01/2008

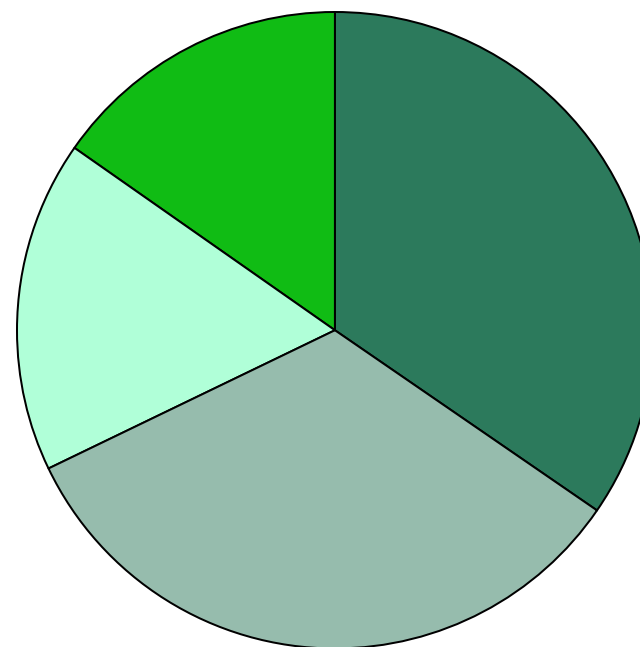
Asset Allocation Policy

Asset Class	Minimum	Target	Maximum
Domestic Equity	20%	25%	30%
Small Cap Core	10%	15%	20%
International Core	15%	20%	25%
Fixed Income Core	20%	25%	30%
Real Estate	10%	15%	20%

December 31, 2008 : \$42,990,157



March 31, 2009 : \$41,057,975

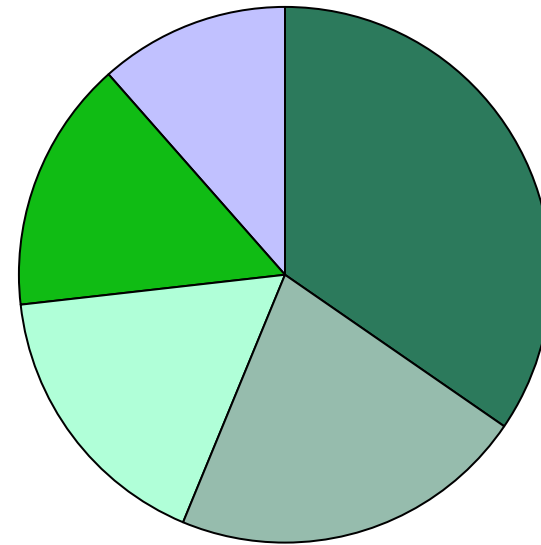
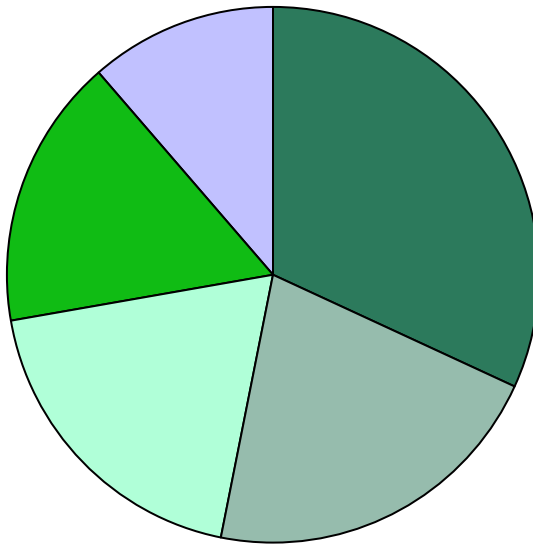


Segments	Market Value (\$)	Allocation (%)
Domestic Equity	14,028,864	32.63
Domestic Fixed Income	13,697,529	31.86
Real Estate	8,239,906	19.17
International Equity	7,023,858	16.34

Segments	Market Value (\$)	Allocation (%)
Domestic Fixed Income	14,184,177	34.55
Domestic Equity	13,657,822	33.26
Real Estate	6,941,220	16.91
International Equity	6,274,756	15.28

December 31, 2008 : \$42,990,157

March 31, 2009 : \$41,057,975



	Market Value (\$)	Allocation (%)
PRINCIPAL BOND AND MORTGAGE	13,697,529	31.86
PRINCIPAL LARGE CAP STOCK INDEX	9,150,842	21.29
PRUDENTIAL REAL ESTATE INVESTORS	8,239,906	19.17
PRINCIPAL INTERNATIONAL STOCK	7,023,858	16.34
MANNING AND NAPIER	4,878,022	11.35

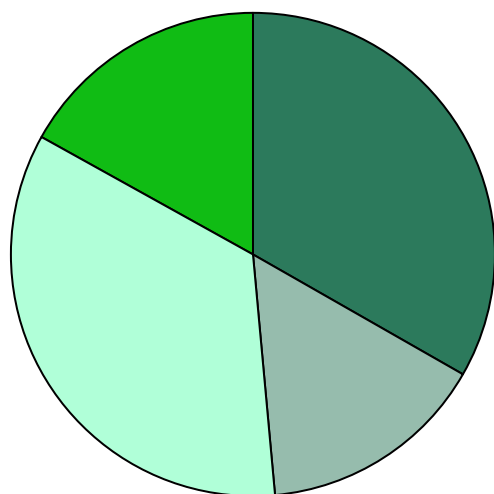
	Market Value (\$)	Allocation (%)
PRINCIPAL BOND AND MORTGAGE	14,184,177	34.55
PRINCIPAL LARGE CAP STOCK INDEX	8,926,728	21.74
PRUDENTIAL REAL ESTATE INVESTORS	6,941,220	16.91
PRINCIPAL INTERNATIONAL STOCK	6,274,756	15.28
MANNING AND NAPIER	4,731,094	11.52

	Allocation		Performance %						
	Market Values (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
COMPOSITE	41,057,975	100.00	-7.89	-7.89	-32.08	-10.09	-3.03	-0.36	01/01/2002
POLICY INDEX			-9.32	-9.32	-28.08	-7.23	-1.37	0.51	
All Public Plans < \$1B-Total Fund Median			-5.27	-5.27	-24.09	-6.67	-0.67	N/A	
Percentile Rank			96	96	99	98	97	N/A	
PRINCIPAL LARGE CAP STOCK INDEX	8,926,728	21.74	-10.84	-10.84	-38.06	-13.24	-4.91	5.90	01/01/1995
S&P 500			-11.01	-11.01	-38.09	-13.06	-4.76	5.84	
US Core/Large Cap Equity (SA+CF) Median			-10.46	-10.46	-37.04	-12.55	-3.80	N/A	
Percentile Rank			59	59	71	71	85	N/A	
MANNING AND NAPIER	4,731,094	11.52	-3.01	-3.01	-43.93	N/A	N/A	-43.93	04/01/2008
Russell 2000 Index			-14.95	-14.95	-37.50	-16.80	-5.24	-37.50	
US Core/Small Cap Equity (SA+CF) Median			-14.03	-14.03	-38.01	-17.26	-4.83	N/A	
Percentile Rank			1	1	93	N/A	N/A	N/A	
PRINCIPAL INTERNATIONAL STOCK	6,274,756	15.28	-13.96	-13.96	-48.26	-14.74	0.38	7.04	01/01/1995
MSCI EAFE (net)			-13.94	-13.94	-46.51	-14.47	-2.18	2.09	
International Equity All (SA+CF) Median			-12.02	-12.02	-45.73	-13.45	-0.71	N/A	
Percentile Rank			75	75	73	69	29	N/A	
PRINCIPAL BOND AND MORTGAGE	14,184,177	34.55	-0.27	-0.27	-11.76	-1.78	-0.03	5.92	01/01/1995
Barclays Capital Aggregate			0.12	0.12	3.13	5.78	4.13	6.74	
US Broad Market Core Fixed Income (SA+CF) Median			0.51	0.51	1.98	5.32	3.94	N/A	
Percentile Rank			76	76	98	99	99	N/A	
PRUDENTIAL REAL ESTATE INVESTORS	6,941,220	16.91	-15.51	-15.51	-26.97	N/A	N/A	-26.97	04/01/2008
NCREIF ODCE Equal Weighted			-12.50	-12.50	-22.67	0.56	6.94	-22.67	

	Allocation		Performance %						
	Market Values (\$)	%	2008	2007	2006	2005	2004	2003	2002
COMPOSITE	41,057,975	100.00	-32.49	6.53	13.66	6.44	9.71	17.89	-6.01
POLICY INDEX			-24.92	6.99	13.21	5.40	9.97	21.11	-10.37
All Public Plans < \$1B-Total Fund Median			-23.73	7.47	11.80	7.01	10.91	22.50	-8.90
Percentile Rank			98	70	31	64	68	87	12
PRINCIPAL LARGE CAP STOCK INDEX	8,926,728	21.74	-37.22	5.21	15.44	4.92	10.83	28.53	-22.12
S&P 500			-37.00	5.49	15.79	4.91	10.88	28.68	-22.10
US Core/Large Cap Equity (SA+CF) Median			-36.64	6.29	15.77	6.73	11.66	28.80	-21.32
Percentile Rank			64	70	57	82	69	58	70
MANNING AND NAPIER	4,731,094	11.52	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2000 Index			-33.79	-1.57	18.37	4.55	18.33	47.25	-20.48
US Core/Small Cap Equity (SA+CF) Median			-35.14	-1.11	16.19	7.97	20.75	44.96	-14.87
Percentile Rank			N/A	N/A	N/A	N/A	N/A	N/A	N/A
PRINCIPAL INTERNATIONAL STOCK	6,274,756	15.28	-45.89	16.43	27.97	25.37	22.19	34.99	-14.65
MSCI EAFE (net)			-43.38	11.17	26.34	13.54	20.25	38.59	-15.94
International Equity All (SA+CF) Median			-43.31	11.98	26.72	16.16	20.56	39.02	-13.52
Percentile Rank			70	27	40	11	40	69	59
PRINCIPAL BOND AND MORTGAGE	14,184,177	34.55	-13.06	3.78	4.79	3.24	5.60	5.76	10.50
Barclays Capital Aggregate			5.24	6.97	4.34	2.43	4.34	4.11	10.27
US Broad Market Core Fixed Income (SA+CF) Median			3.57	6.93	4.47	2.72	4.51	4.53	10.31
Percentile Rank			97	96	18	11	4	14	42
PRUDENTIAL REAL ESTATE INVESTORS	6,941,220	16.91	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NCREIF ODCE Equal Weighted			-10.37	16.09	16.15	20.18	12.64	9.11	5.34

Manager Profile**Benchmark:** Policy Index**Inception Date:** January 1, 2002**Asset Allocation by Segment**

March 31, 2009 : \$41,057,975



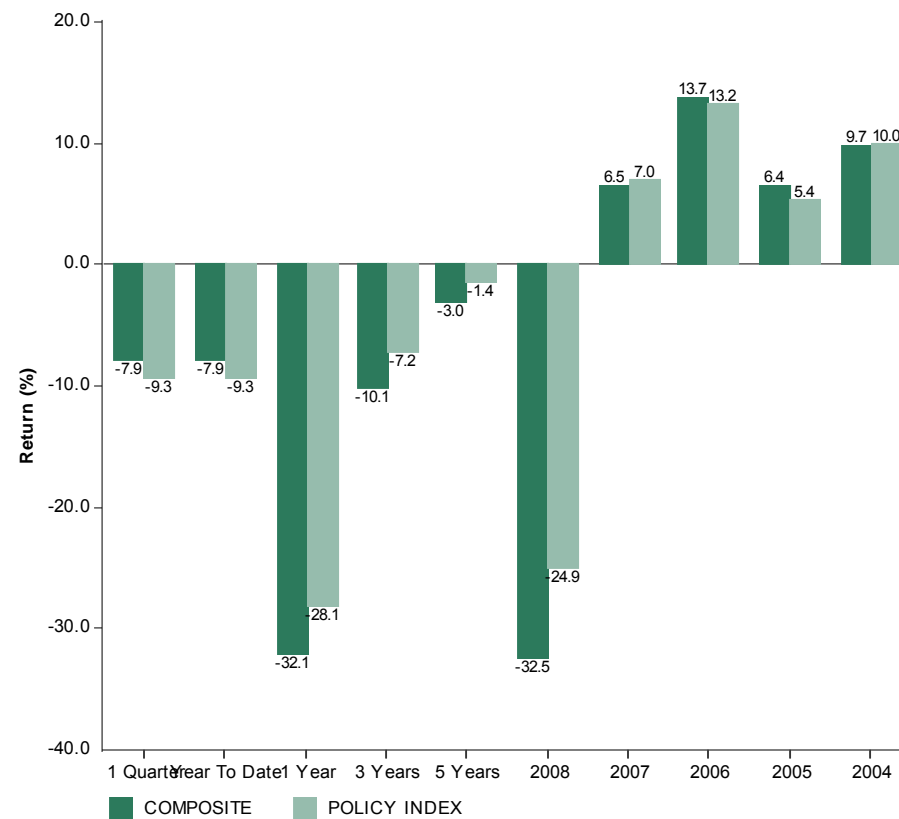
Segments	Market Value (\$)	Allocation (%)
Domestic Equity	13,657,822	33.26
International Equity	6,274,756	15.28
Domestic Fixed Income	14,184,177	34.55
Real Estate	6,941,220	16.91

Cash allocation includes accrued income for the entire portfolio.

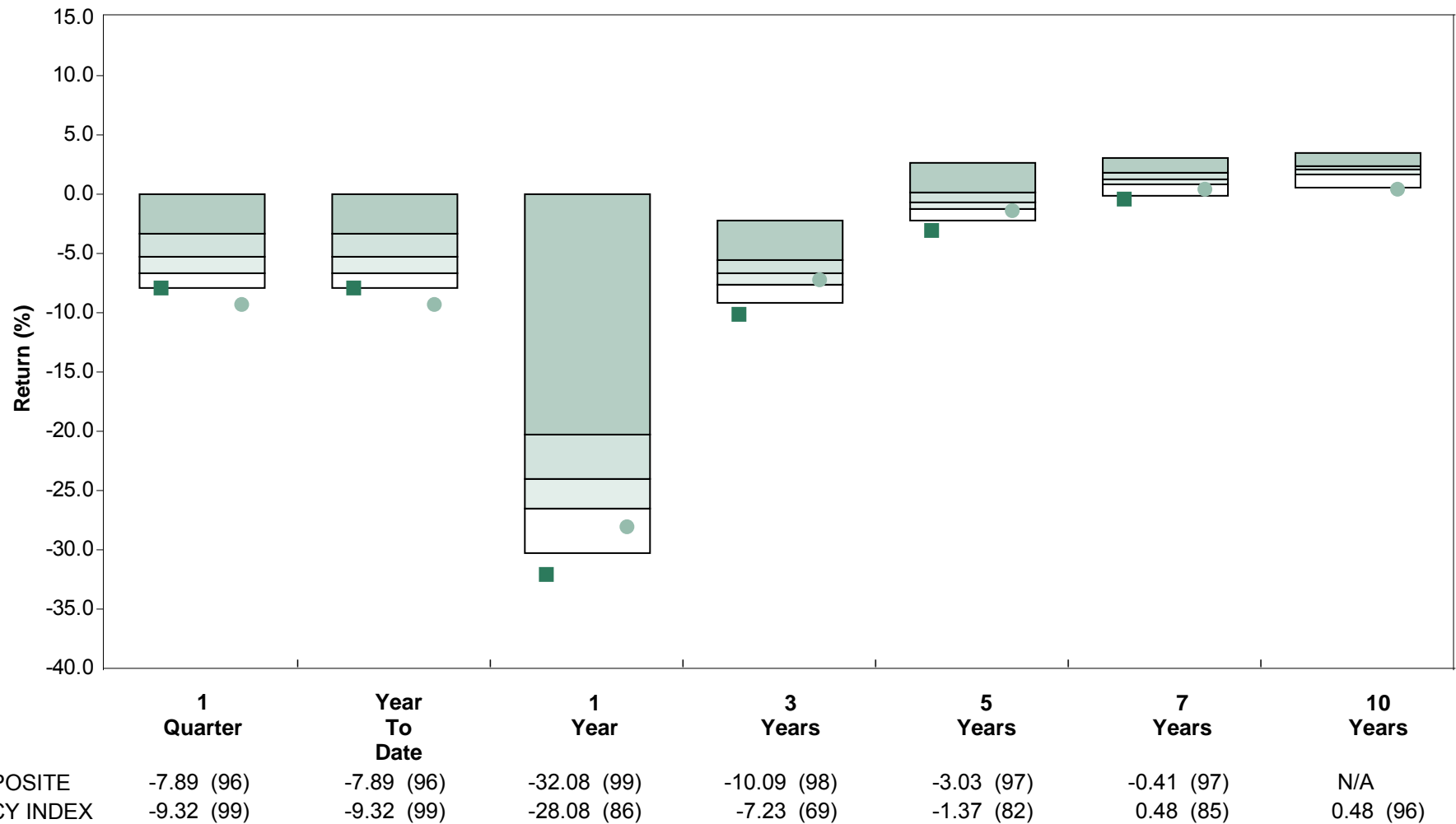
Gain / Loss Summary

	1 Quarter	Year To Date	1 Year
COMPOSITE			
Beginning Market Value	42,990,157	42,990,157	59,978,049
Net Contributions	1,456,161	1,456,161	-6,237
Fees/Expenses	-21,107	-21,107	-21,107
Income	-	-	-
Gain/Loss	-3,367,236	-3,367,236	-18,892,730
Ending Market Value	41,057,975	41,057,975	41,057,975

Income includes income received and change in accrued income.

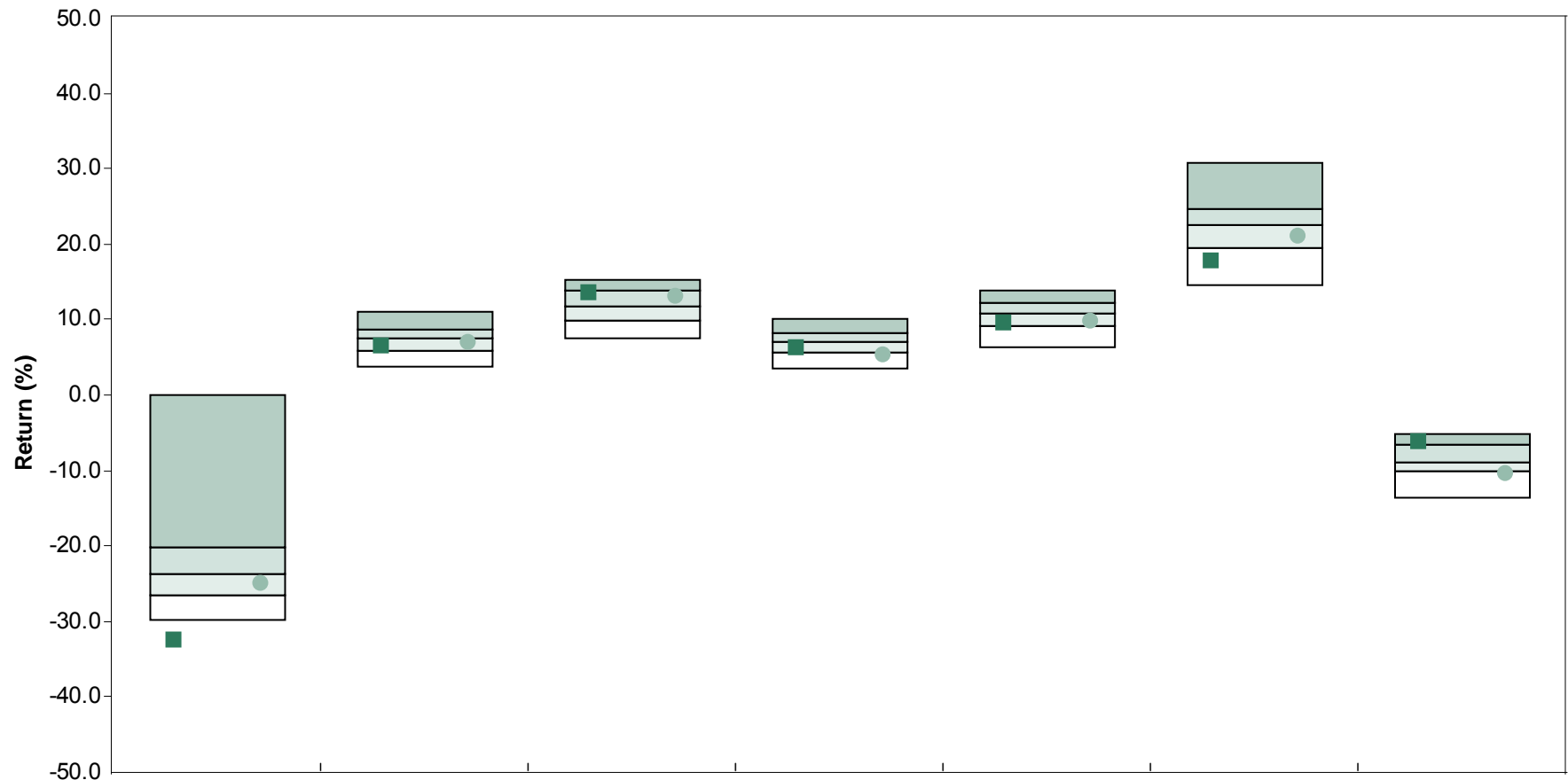
Performance Bar Chart

Allocation Mandate	Weight (%)
Effective Date: Jan-1995	
S&P 500 Index	50.00
Barclays Capital Aggregate	35.00
MSCI EAFE (Net)	15.00
Effective Date: Apr-2008	
S&P 500 Index	25.00
Barclays Capital Aggregate	25.00
MSCI EAFE (Net)	20.00
Russell 2000 Index	15.00
NCREIF ODCE Equal Weighted	15.00



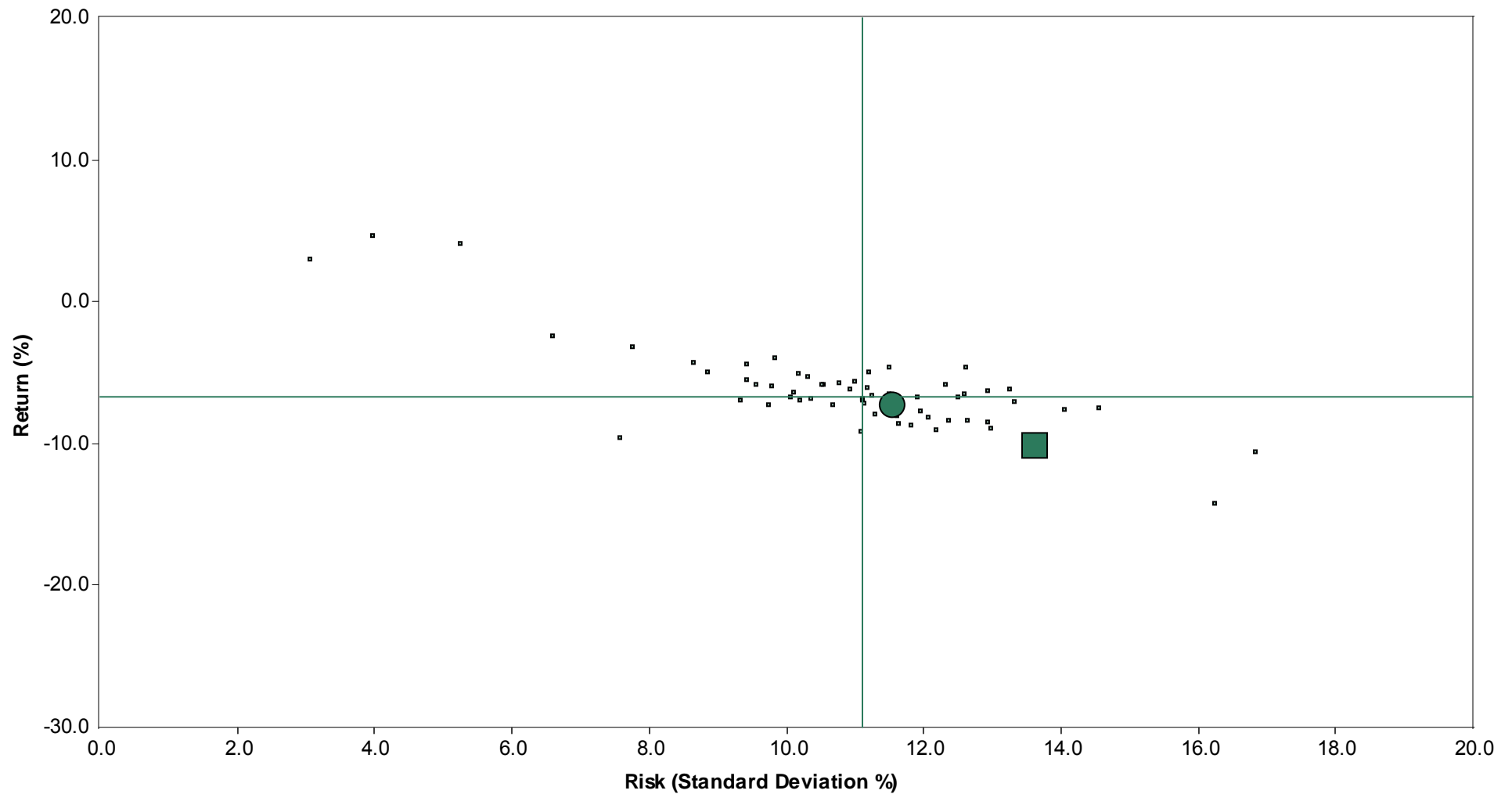
5th Percentile	0.00	0.00	0.00	-2.17	2.63	3.07	3.54
1st Quartile	-3.26	-3.26	-20.25	-5.54	0.20	1.79	2.43
Median	-5.27	-5.27	-24.09	-6.67	-0.67	1.18	2.09
3rd Quartile	-6.64	-6.64	-26.59	-7.66	-1.23	0.89	1.62
95th Percentile	-7.89	-7.89	-30.26	-9.13	-2.25	-0.12	0.51

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

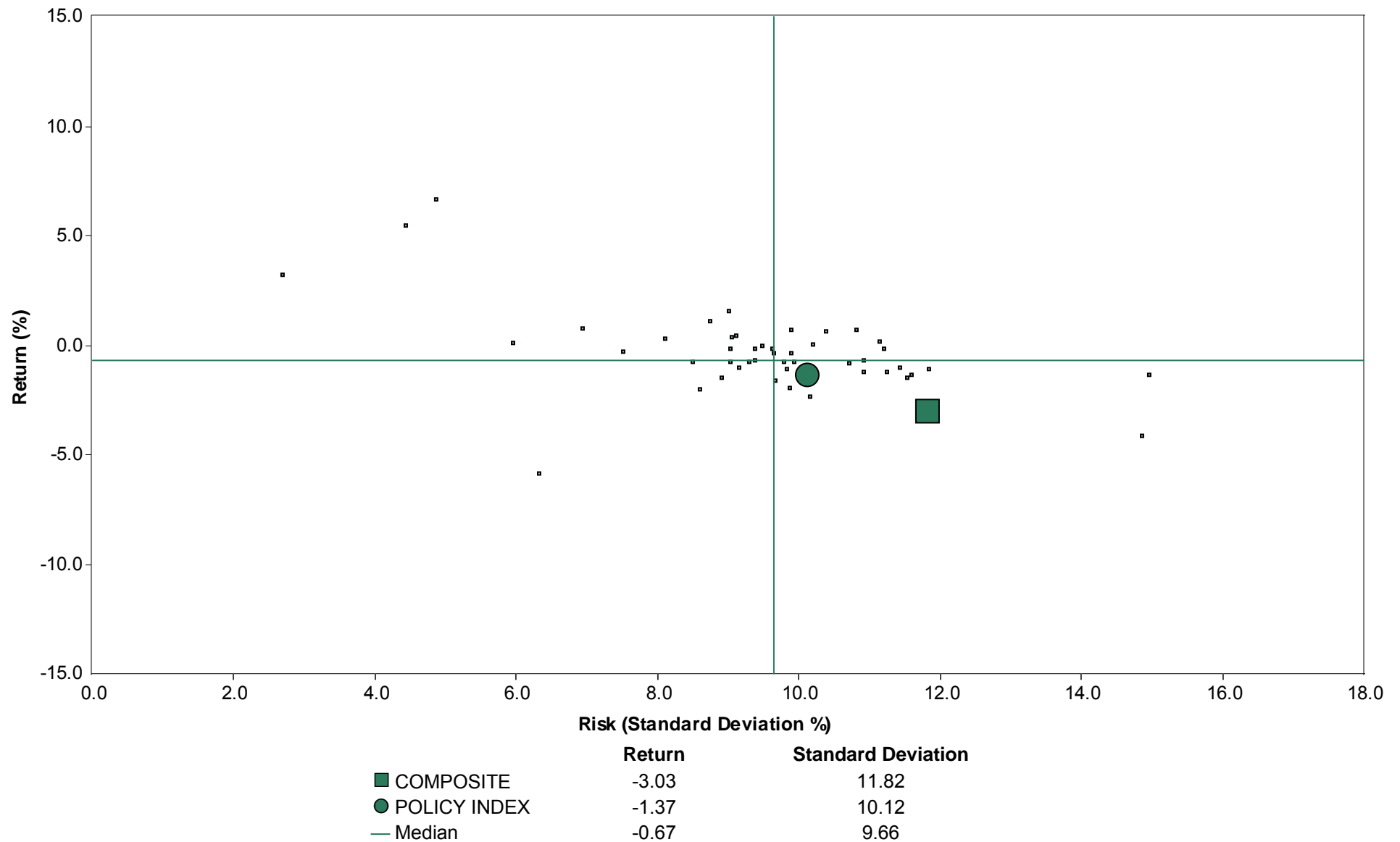


	2008	2007	2006	2005	2004	2003	2002
■ COMPOSITE	-32.49 (98)	6.53 (70)	13.66 (31)	6.44 (64)	9.71 (68)	17.89 (87)	-6.01 (12)
● POLICY INDEX	-24.92 (64)	6.99 (60)	13.21 (36)	5.40 (77)	9.97 (64)	21.11 (63)	-10.37 (76)
5th Percentile	0.00	11.12	15.24	10.02	13.90	30.84	-5.06
1st Quartile	-20.26	8.64	13.93	8.15	12.30	24.62	-6.64
Median	-23.73	7.47	11.80	7.01	10.91	22.50	-8.90
3rd Quartile	-26.58	5.84	9.88	5.55	9.14	19.43	-10.18
95th Percentile	-29.90	3.81	7.50	3.51	6.46	14.47	-13.57

Parentheses contain percentile rankings.
Calculation based on quarterly periodicity.



	Return	Standard Deviation
COMPOSITE	-10.09	13.62
POLICY INDEX	-7.23	11.55
Median	-6.67	11.11



Calculation based on quarterly periodicity.

CITY OF ROCKVILLE

COMPOSITE

Since Inception Ending March 31, 2009

Calendar Years	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value	Income (\$)	Income % of Beginning Market Value
From 02/2002	-	-	-	39,233,833	N/A	100.00	-	0.00
2003	39,233,833	-	6,846,203	46,080,036	17.89	117.89	-	0.00
2004	46,080,036	-	4,796,275	50,876,311	9.71	129.34	-	0.00
2005	50,876,311	-398,198	3,418,539	53,896,652	6.44	137.67	-	0.00
2006	53,896,652	-324,056	7,356,426	60,929,022	13.66	156.48	-	0.00
2007	60,929,022	-580,112	4,031,612	64,380,522	6.53	166.71	-	0.00
2008	64,380,522	-1,062,417	-20,327,948	42,990,157	-32.49	112.54	-	0.00
To 03/2009	42,990,157	1,435,054	-3,367,236	41,057,975	-7.89	103.66	-	0.00

Gain/Loss includes income received and change in accrued income for the period.

CITY OF ROCKVILLE
PRINCIPAL LARGE CAP STOCK INDEX
March 31, 2009

Manager Profile

Style: Large Cap

Benchmark: S&P 500 Index

Peer Group: US Core/Large Cap Equity (SA + CF)

Inception Date: January 1, 1995

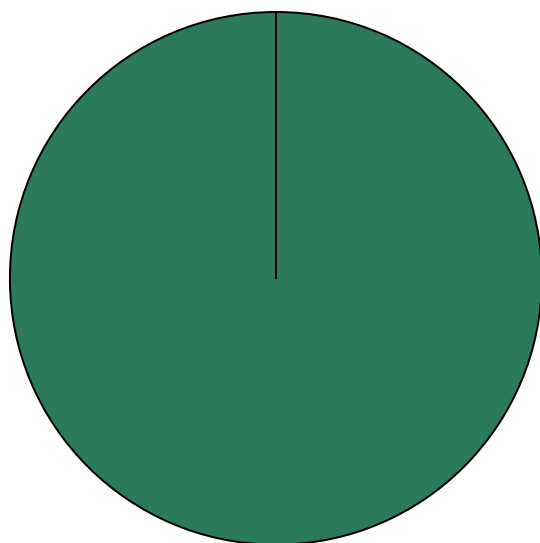
Gain / Loss Summary

	1 Quarter	Year To Date	1 Year
PRINCIPAL LARGE CAP STOCK INDEX			
Beginning Market Value	9,150,842	9,150,842	13,877,505
Net Contributions	724,313	724,313	90,101
Fees/Expenses	-	-	-
Income	-	-	-
Gain/Loss	-948,427	-948,427	-5,040,878
Ending Market Value	8,926,728	8,926,728	8,926,728

Income includes income received and change in accrued income.

Asset Allocation by Segment

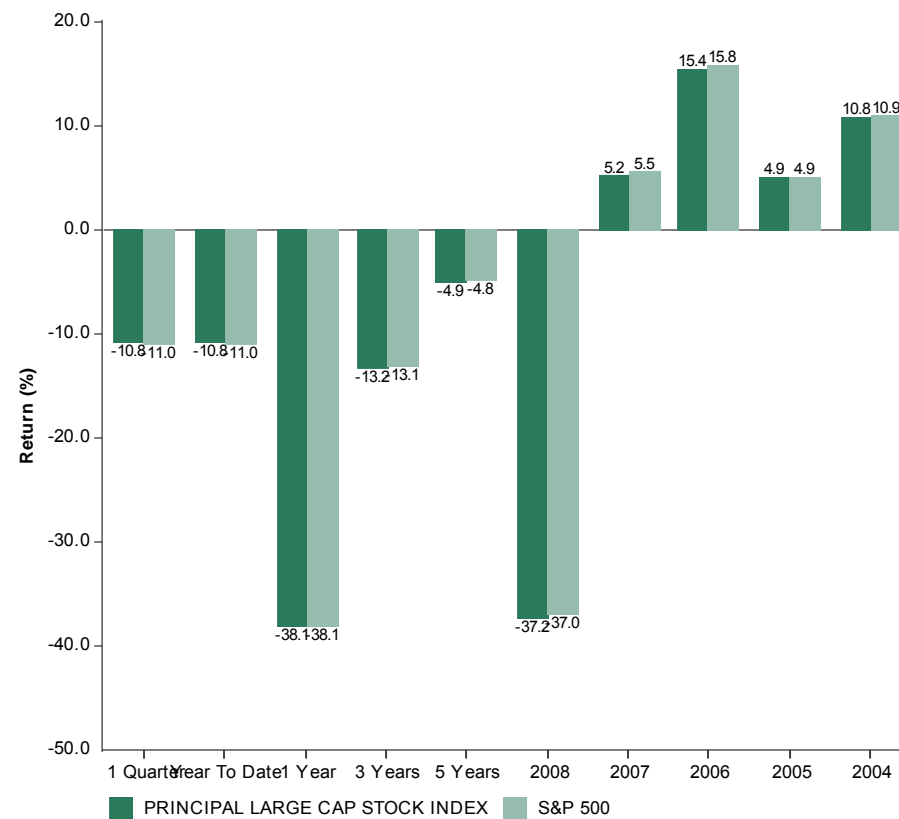
March 31, 2009 : \$8,926,728



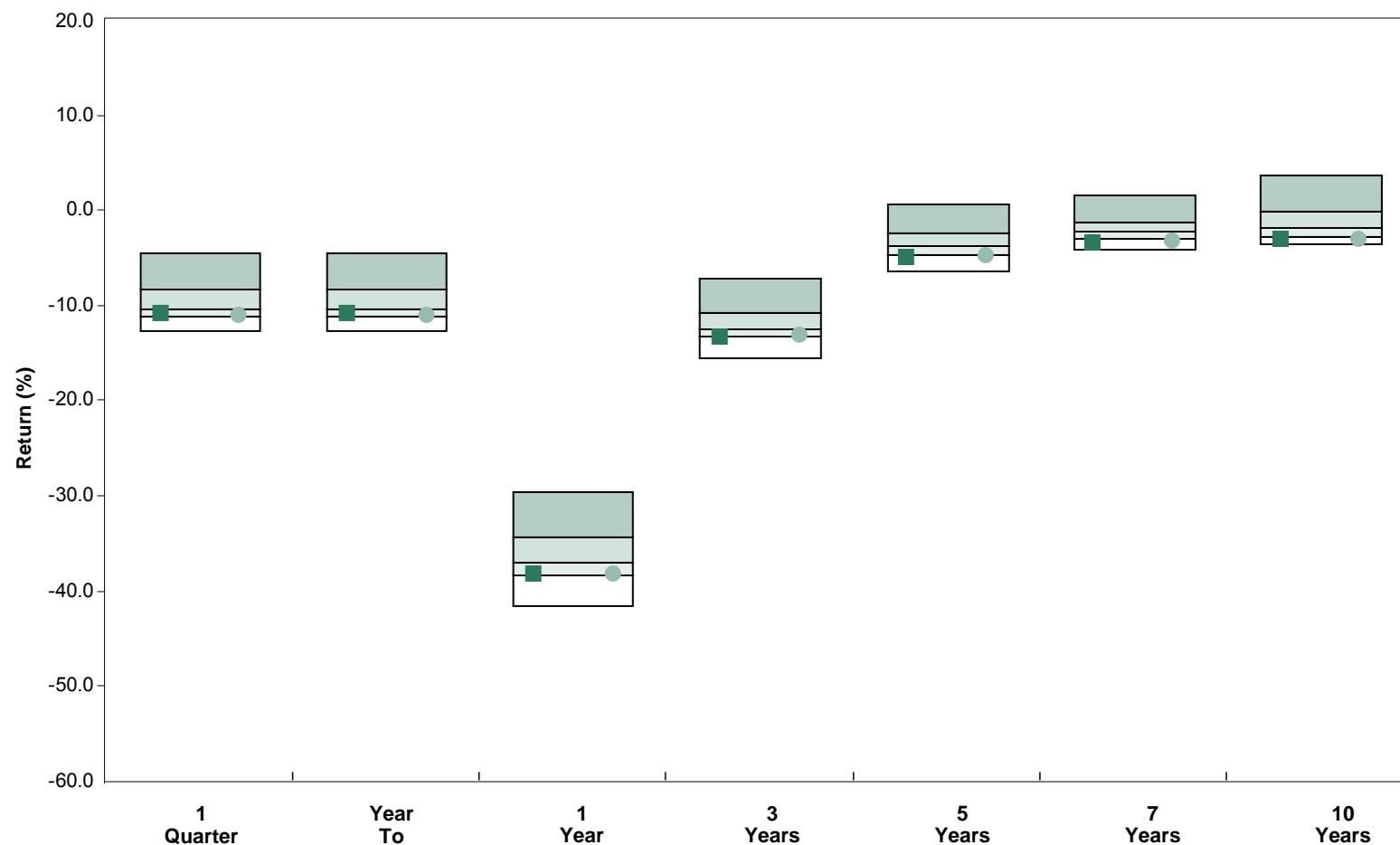
Segments	Market Value (\$)	Allocation (%)
Domestic Equity	8,926,728	100.00

Cash allocation includes accrued income for the entire portfolio.

Performance Bar Chart



Peer Group Analysis - US Core/Large Cap Equity (SA+CF)

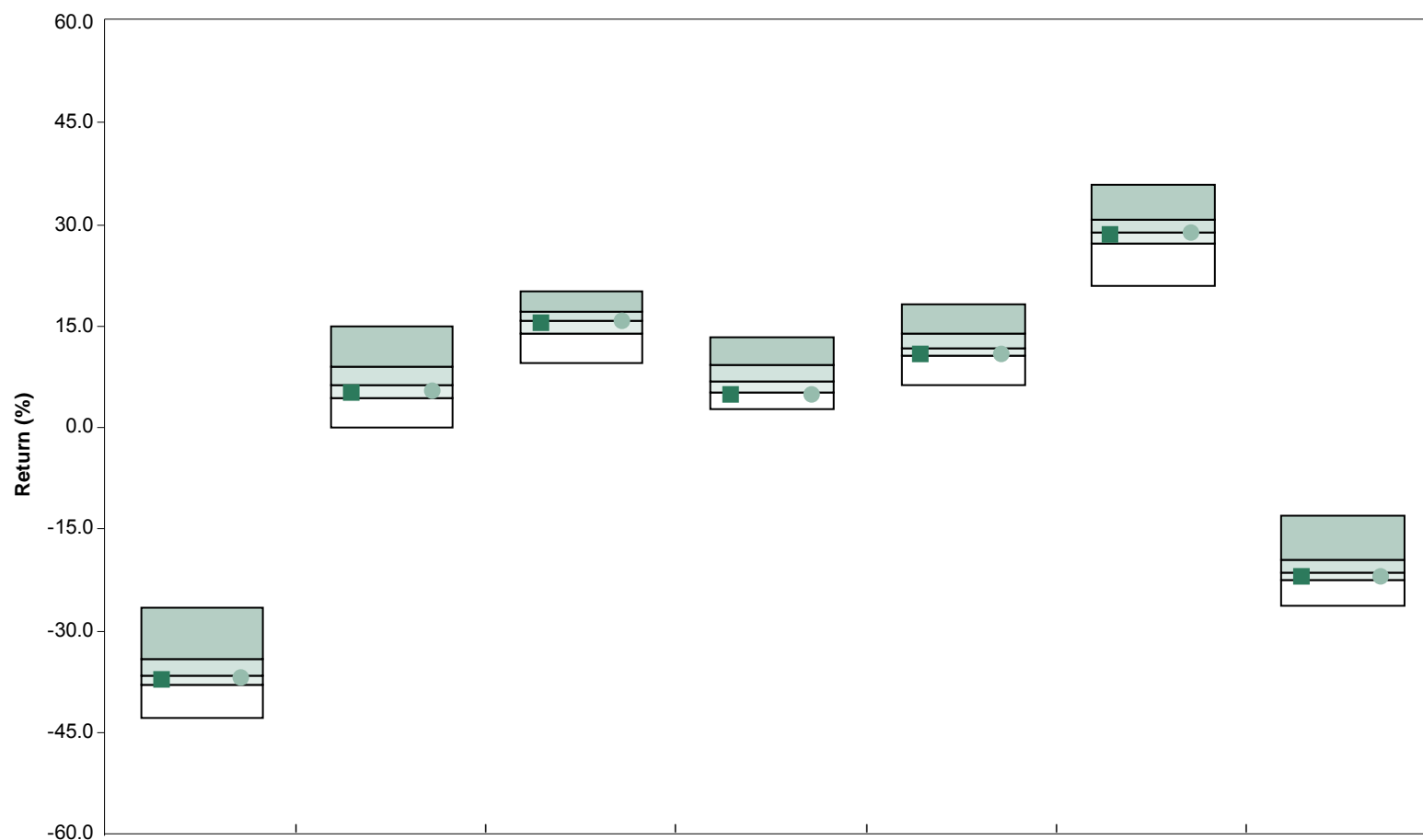


■ PRINCIPAL LARGE CAP STOCK INDEX
 ● S&P 500

5th Percentile
 1st Quartile
 Median
 3rd Quartile
 95th Percentile

	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years
PRINCIPAL LARGE CAP STOCK INDEX	-10.84 (59)	-10.84 (59)	-38.06 (71)	-13.24 (71)	-4.91 (85)	-3.32 (88)	-3.04 (87)
S&P 500	-11.01 (68)	-11.01 (68)	-38.09 (72)	-13.06 (65)	-4.76 (83)	-3.20 (87)	-3.00 (86)
5th Percentile	-4.60	-4.60	-29.67	-7.09	0.61	1.66	3.73
1st Quartile	-8.39	-8.39	-34.35	-10.73	-2.49	-1.20	-0.19
Median	-10.46	-10.46	-37.04	-12.55	-3.80	-2.28	-1.82
3rd Quartile	-11.19	-11.19	-38.26	-13.33	-4.66	-2.93	-2.84
95th Percentile	-12.74	-12.74	-41.56	-15.45	-6.36	-4.09	-3.50

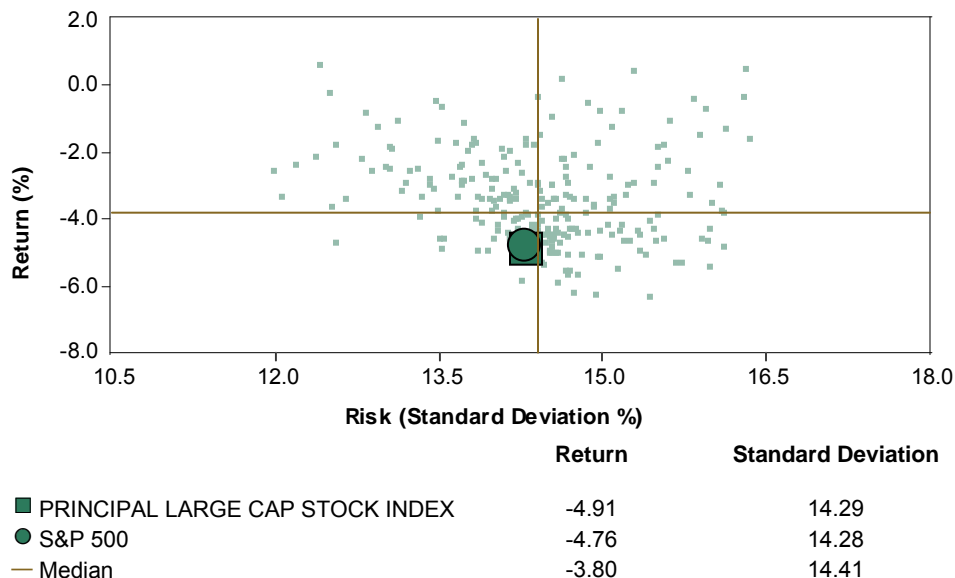
Peer Group Analysis - US Core/Large Cap Equity (SA+CF)



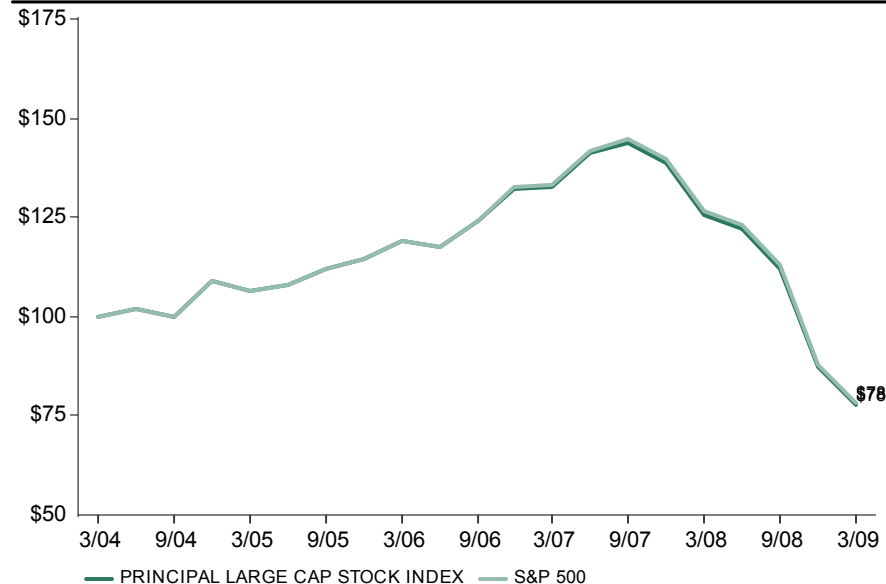
■ PRINCIPAL LARGE CAP STOCK INDEX
 ● S&P 500

	2008	2007	2006	2005	2004	2003	2002
	-37.22 (64)	5.21 (70)	15.44 (57)	4.92 (82)	10.83 (69)	28.53 (58)	-22.12 (70)
	-37.00 (60)	5.49 (67)	15.79 (49)	4.91 (82)	10.88 (66)	28.68 (55)	-22.10 (69)
5th Percentile	-26.58	14.84	20.07	13.24	18.20	35.83	-13.01
1st Quartile	-34.29	9.09	17.02	9.18	13.88	30.59	-19.45
Median	-36.64	6.29	15.77	6.73	11.66	28.80	-21.32
3rd Quartile	-38.05	4.39	13.96	5.06	10.50	27.16	-22.52
95th Percentile	-42.90	0.00	9.48	2.75	6.12	21.00	-26.39

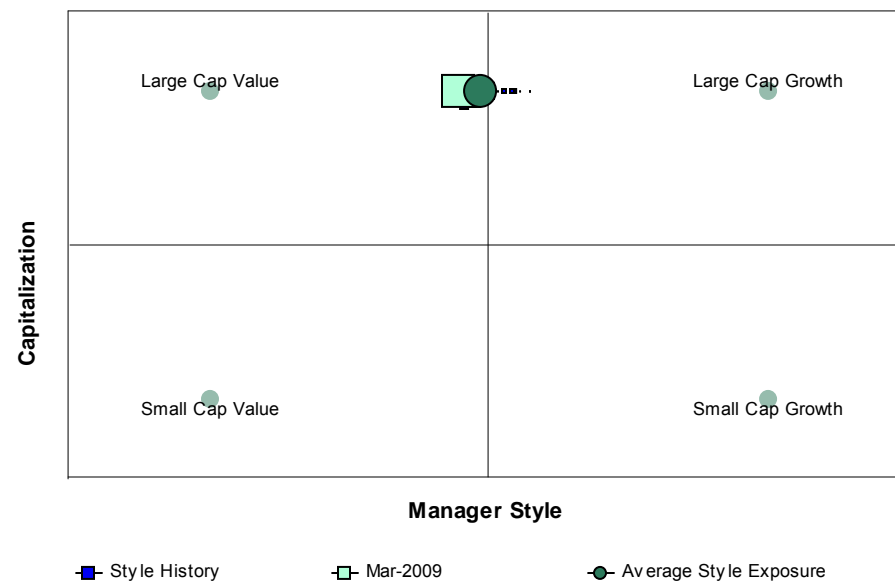
Peer Group Scattergram (04/01/04 to 03/31/09)



Growth of a Dollar (04/01/04 to 03/31/09)



Style Analysis



CITY OF ROCKVILLE
PRINCIPAL LARGE CAP STOCK INDEX
March 31, 2009

Calendar Years	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value	Income (\$)	Income % of Beginning Market Value
2002	-	-	-	15,562,469	N/A	100.00	-	0.00
2003	15,562,469	-	6,703,688	22,266,157	28.53	128.53	-	0.00
2004	22,266,157	-	3,991,375	26,257,532	10.83	142.45	-	0.00
2005	26,257,532	243,995	2,004,461	28,505,988	4.92	149.46	-	0.00
2006	28,505,988	1,065,550	4,511,846	34,083,384	15.44	172.53	-	0.00
2007	34,083,384	407,138	1,828,961	36,319,483	5.21	181.51	-	0.00
2008	36,319,483	-20,204,224	-6,964,417	9,150,842	-37.22	113.96	-	0.00
To 03/2009	9,150,842	724,313	-948,427	8,926,728	-10.84	101.61	-	0.00

Gain/Loss includes income received and change in accrued income for the period.

Manager Profile

Style: Foreign Equity

Benchmark: MSCI Net EAFE

Peer Group: International Equity All (SA + CF)

Inception Date: January 1, 1995

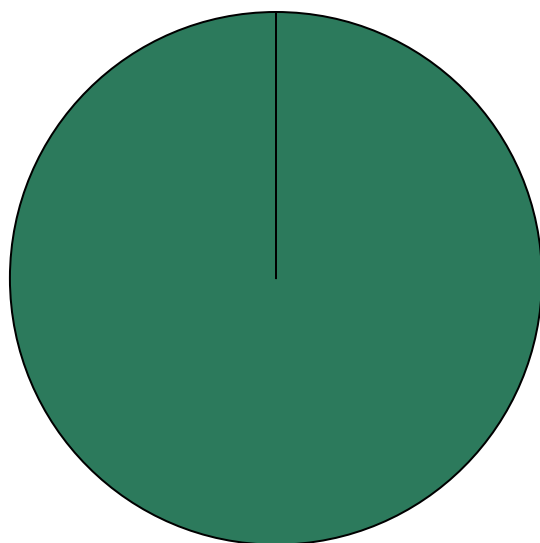
Gain / Loss Summary

	1 Quarter	Year To Date	1 Year
PRINCIPAL INTERNATIONAL STOCK			
Beginning Market Value	7,023,858	7,023,858	11,894,116
Net Contributions	218,485	218,485	39,738
Fees/Expenses	-	-	-
Income	-	-	-
Gain/Loss	-967,588	-967,588	-5,659,099
Ending Market Value	6,274,756	6,274,756	6,274,756

Income includes income received and change in accrued income.

Asset Allocation by Segment

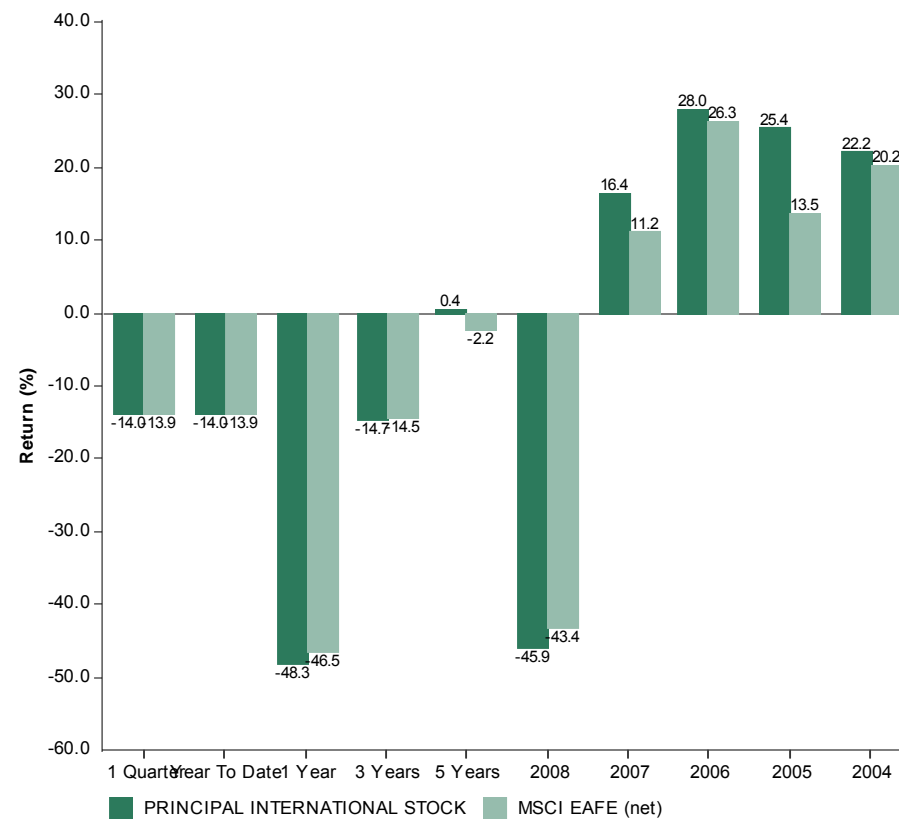
March 31, 2009 : \$6,274,756



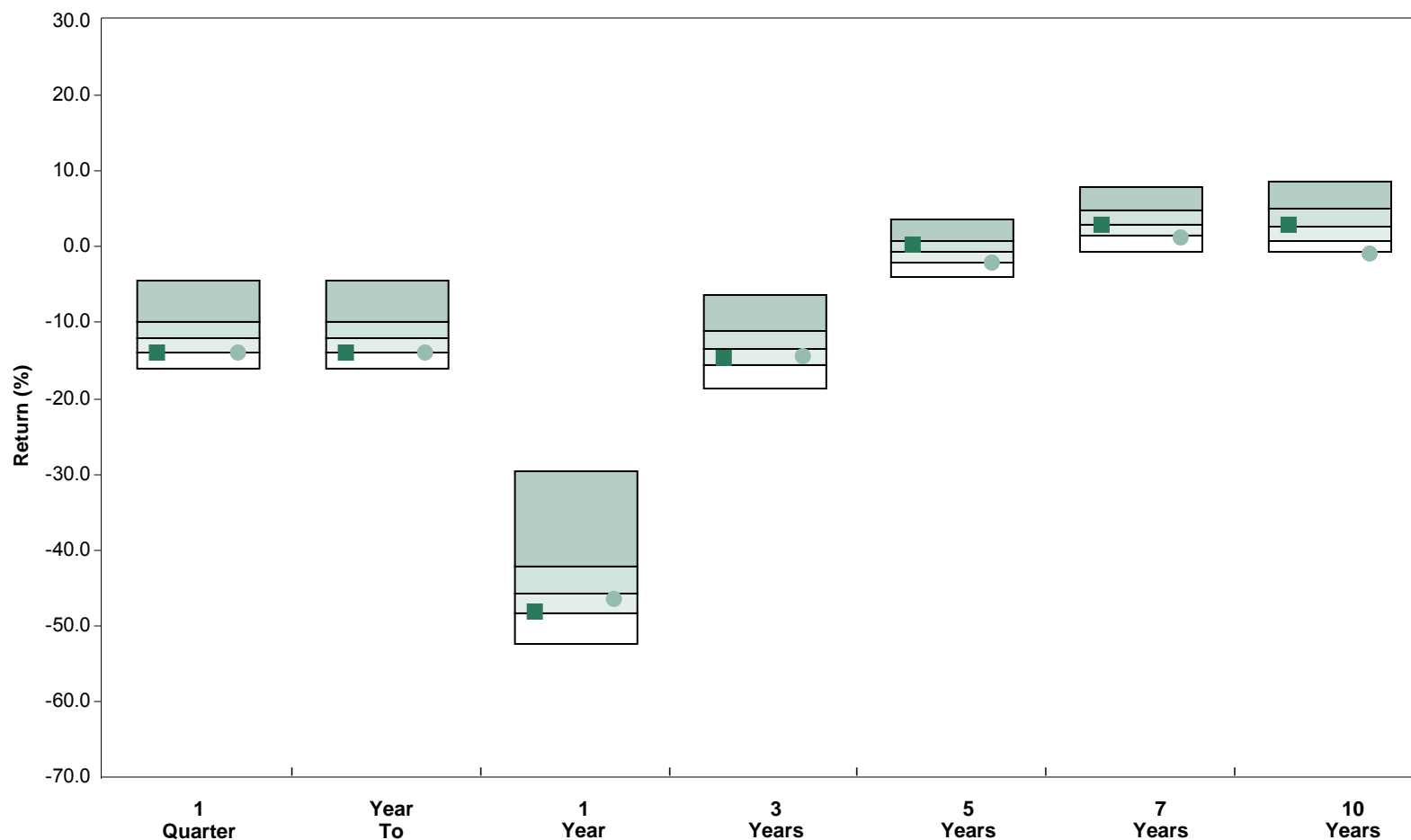
Segments	Market Value (\$)	Allocation (%)
■ International Equity	6,274,756	100.00

Cash allocation includes accrued income for the entire portfolio.

Performance Bar Chart

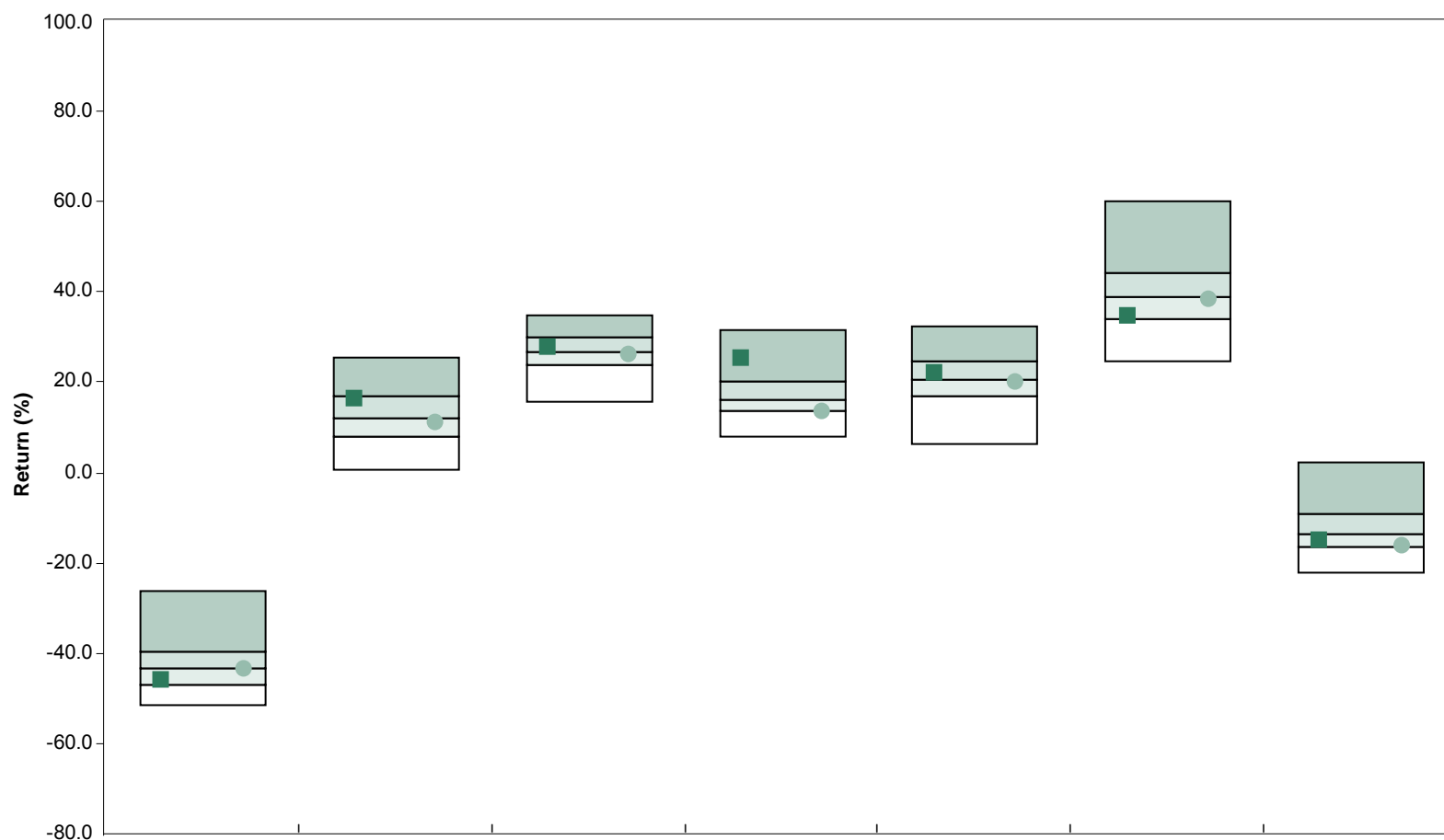


Peer Group Analysis - International Equity All (SA+CF)



■ PRINCIPAL INTERNATIONAL STOCK	-13.96 (75)	-13.96 (75)	-48.26 (73)	-14.74 (69)	0.38 (29)	3.00 (48)	3.01 (49)
● MSCI EAFE (net)	-13.94 (74)	-13.94 (74)	-46.51 (58)	-14.47 (66)	-2.18 (79)	1.15 (83)	-0.84 (97)
5th Percentile	-4.52	-4.52	-29.66	-6.30	3.64	7.94	8.62
1st Quartile	-9.79	-9.79	-42.17	-11.19	0.79	4.74	5.16
Median	-12.02	-12.02	-45.73	-13.45	-0.71	2.82	2.72
3rd Quartile	-14.04	-14.04	-48.47	-15.60	-2.02	1.54	0.84
95th Percentile	-16.00	-16.00	-52.39	-18.61	-3.98	-0.55	-0.70

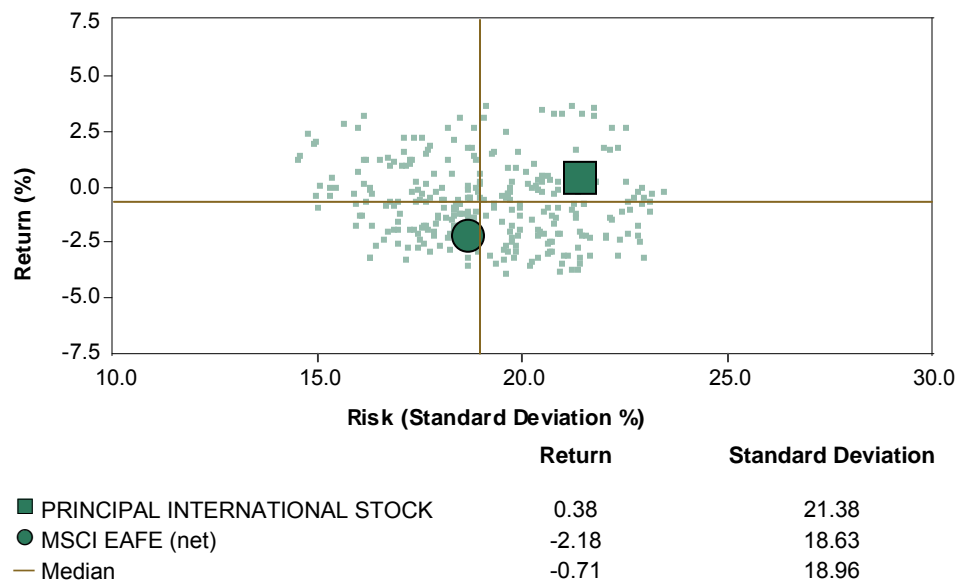
Peer Group Analysis - International Equity All (SA+CF)



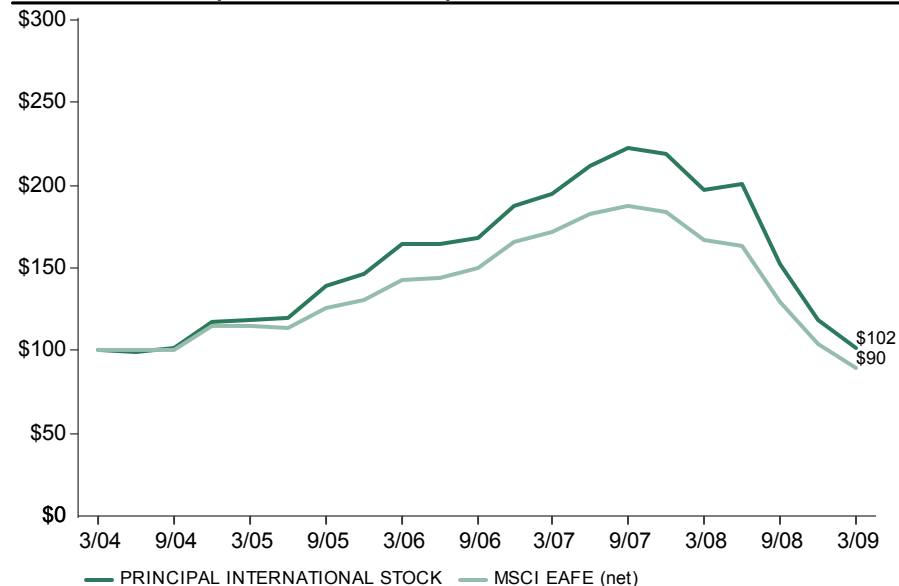
■ PRINCIPAL INTERNATIONAL STOCK
 ● MSCI EAFE (net)

	2008	2007	2006	2005	2004	2003	2002
PRINCIPAL INTERNATIONAL STOCK	-45.89 (70)	16.43 (27)	27.97 (40)	25.37 (11)	22.19 (40)	34.99 (69)	-14.65 (59)
MSCI EAFE (net)	-43.38 (51)	11.17 (56)	26.34 (55)	13.54 (76)	20.25 (53)	38.59 (54)	-15.94 (71)
5th Percentile	-26.42	25.51	34.98	31.41	32.53	60.05	2.19
1st Quartile	-39.68	17.02	30.13	20.10	24.85	44.41	-8.95
Median	-43.31	11.98	26.72	16.16	20.56	39.02	-13.52
3rd Quartile	-47.00	7.89	23.89	13.55	17.03	33.98	-16.61
95th Percentile	-51.59	0.73	15.73	7.82	6.38	24.82	-22.07

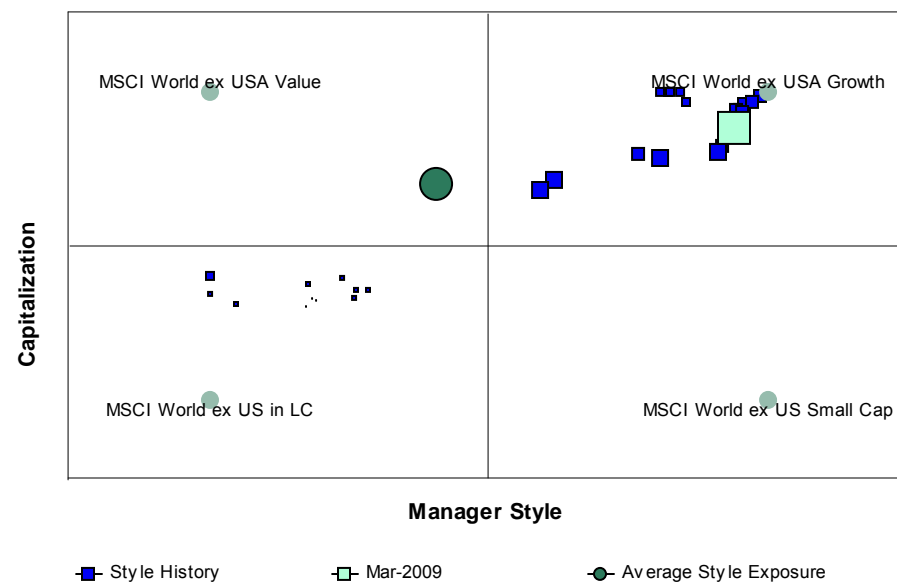
Peer Group Scattergram (04/01/04 to 03/31/09)



Growth of a Dollar (04/01/04 to 03/31/09)



Style Analysis



CITY OF ROCKVILLE
PRINCIPAL INTERNATIONAL STOCK
March 31, 2009

Calendar Years	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value	Income (\$)	Income % of Beginning Market Value
From 05/2002	-	-	-	3,315,150	N/A	100.00	-	0.00
2003	3,315,150	-	1,189,213	4,504,363	34.99	134.99	-	0.00
2004	4,504,363	-	1,050,394	5,554,757	22.19	164.95	-	0.00
2005	5,554,757	48,799	1,527,136	7,130,692	25.37	206.80	-	0.00
2006	7,130,692	213,112	2,026,542	9,370,346	27.97	264.65	-	0.00
2007	9,370,346	23,792	1,566,027	10,960,165	16.43	308.13	-	0.00
2008	10,960,165	1,880,250	-5,816,557	7,023,858	-45.89	166.72	-	0.00
To 03/2009	7,023,858	218,485	-967,588	6,274,756	-13.96	143.45	-	0.00

Gain/Loss includes income received and change in accrued income for the period.

Manager Profile

Style: Small Cap

Benchmark: Russell 2000 Index

Peer Group: US Core/Small Cap Equity (SA + CF)

Inception Date: March 1, 2008

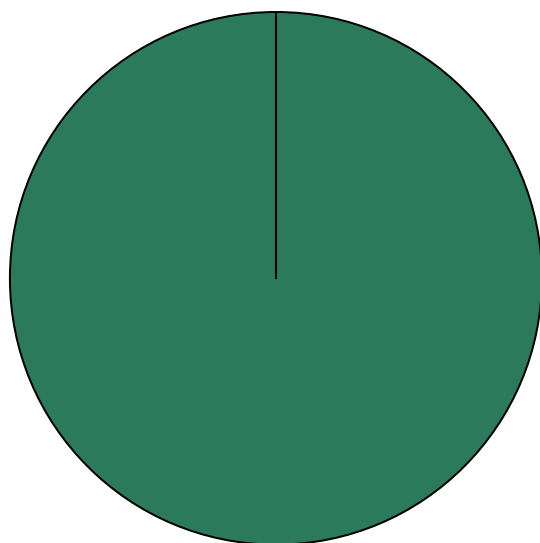
Gain / Loss Summary

	1 Quarter	Year To Date	1 Year
MANNING AND NAPIER			
Beginning Market Value	4,878,022	4,878,022	8,437,538
Net Contributions	-	-	86,216
Fees/Expenses	-	-	-
Income	-	-	-
Gain/Loss	-146,928	-146,928	-3,792,660
Ending Market Value	4,731,094	4,731,094	4,731,094

Income includes income received and change in accrued income.

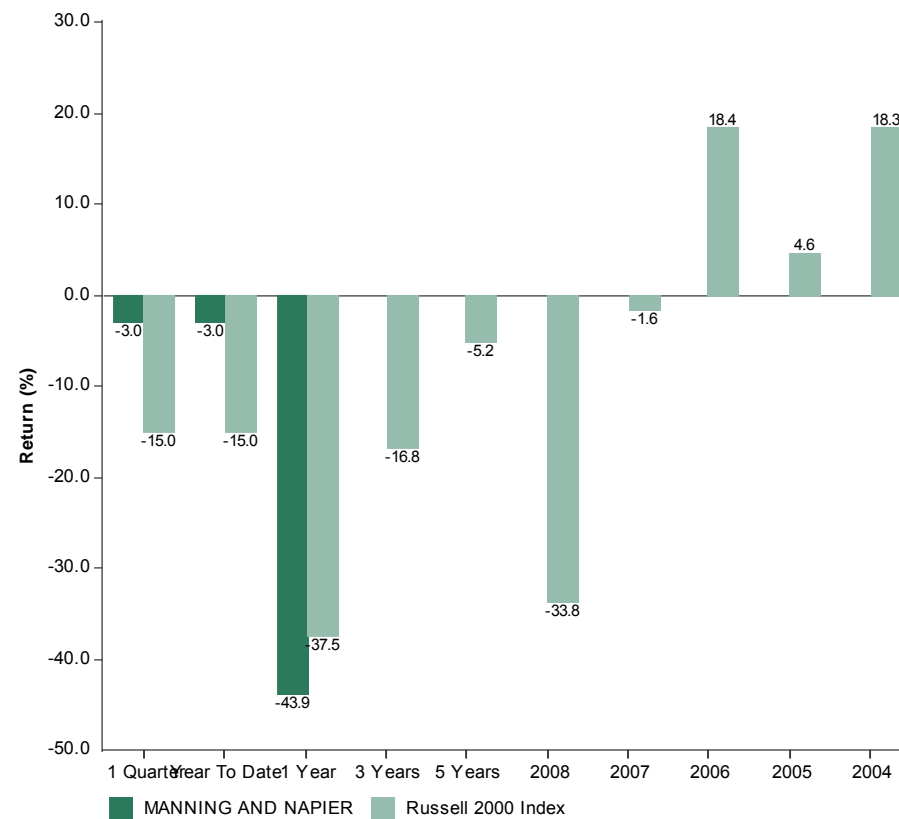
Asset Allocation by Segment

March 31, 2009 : \$4,731,094

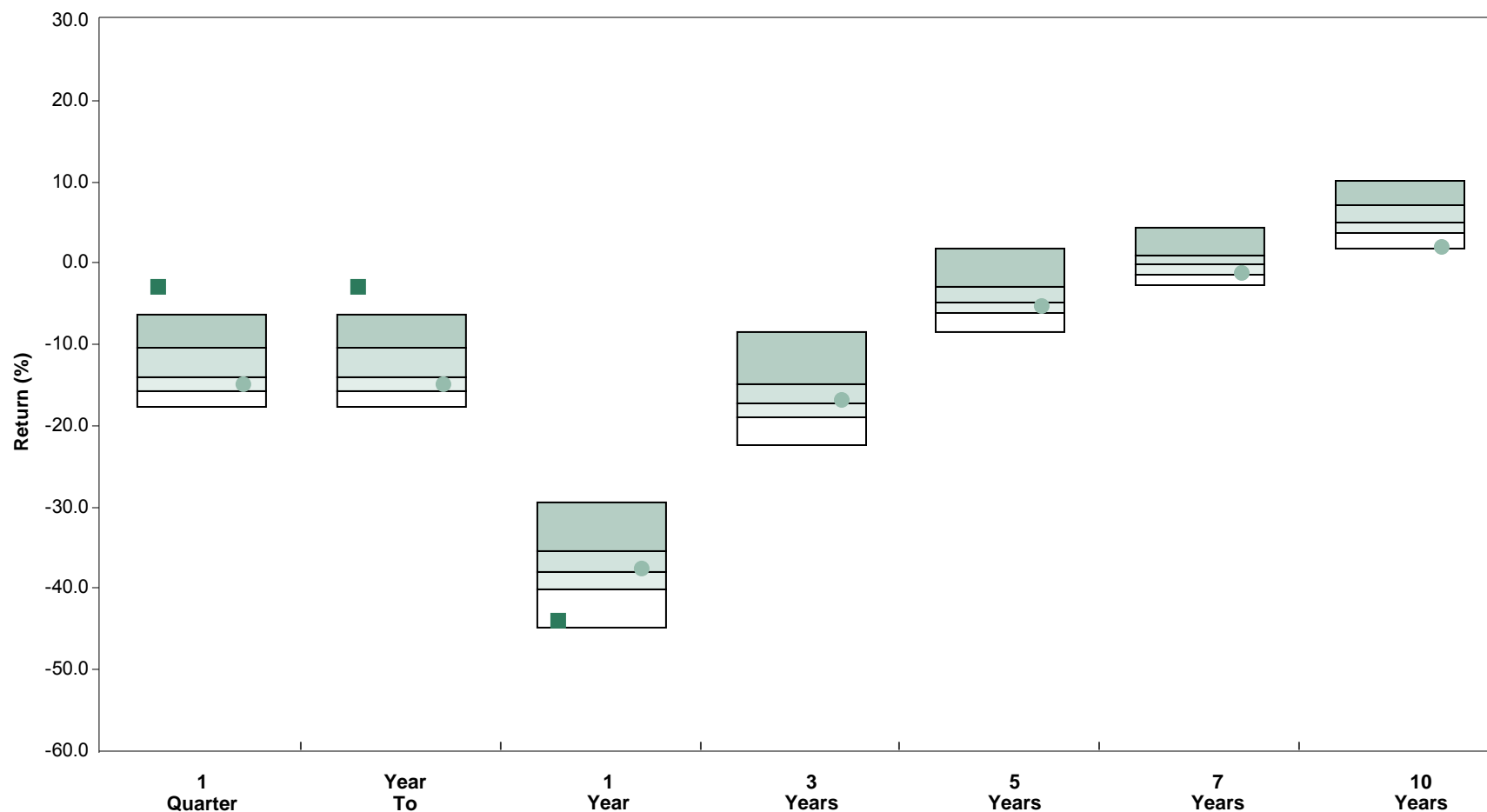


Segments	Market Value (\$)	Allocation (%)
Domestic Equity	4,731,094	100.00

Cash allocation includes accrued income for the entire portfolio.

Performance Bar Chart

Peer Group Analysis - US Core/Small Cap Equity (SA+CF)



■ MANNING AND NAPIER

● Russell 2000 Index

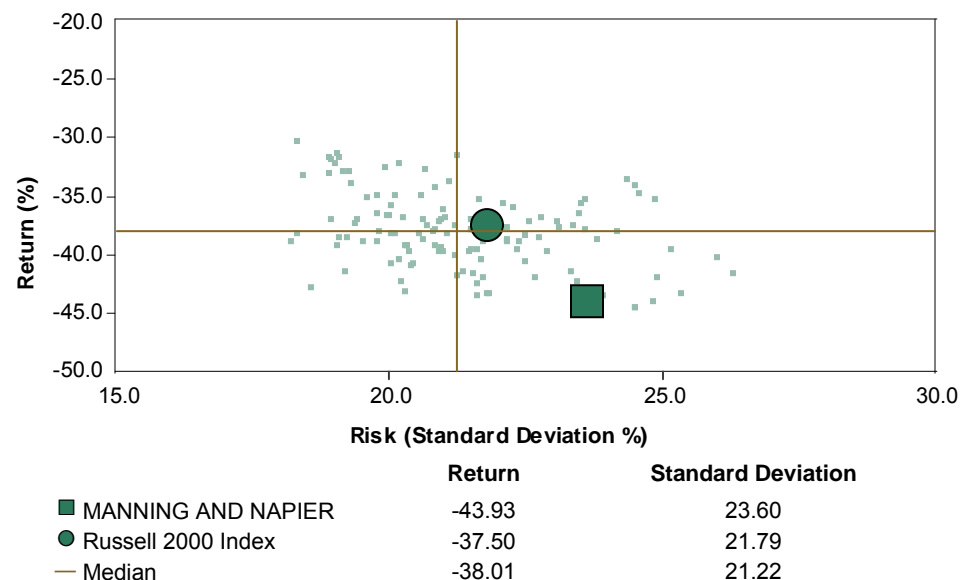
5th Percentile

1st Quartile

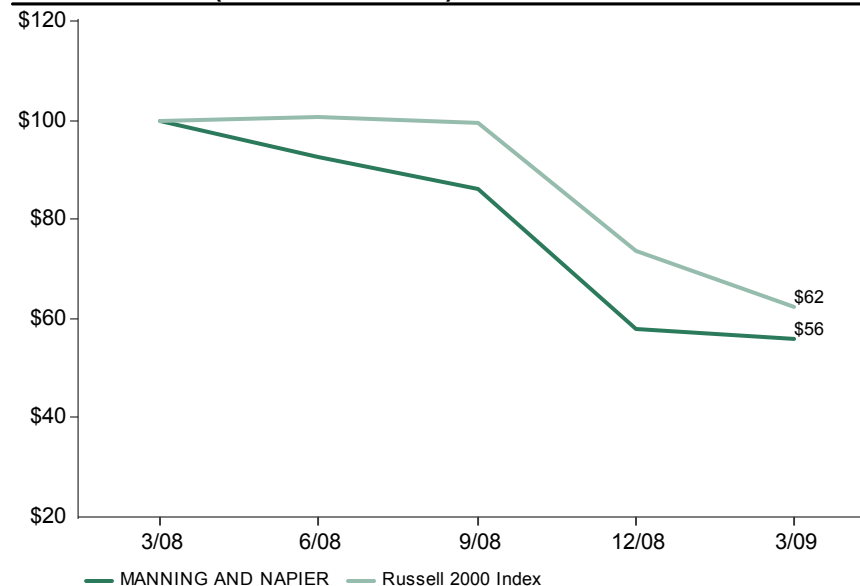
Median

3rd Quartile

95th Percentile

Peer Group Scattergram (04/01/08 to 03/31/09)**3 & 5 Year Up / Down Market Capture**

Insufficient data.

Growth of a Dollar (04/01/08 to 03/31/09)**Style Analysis**

Insufficient data.

Gain/Loss includes income received and change in accrued income for the period.

Manager Profile

Style: Core Fixed Income

Benchmark: Barclays Aggregate Bond Index

Peer Group: US Broad Market Core Fixed Income (SA + CF)

Inception Date: January 1, 1995

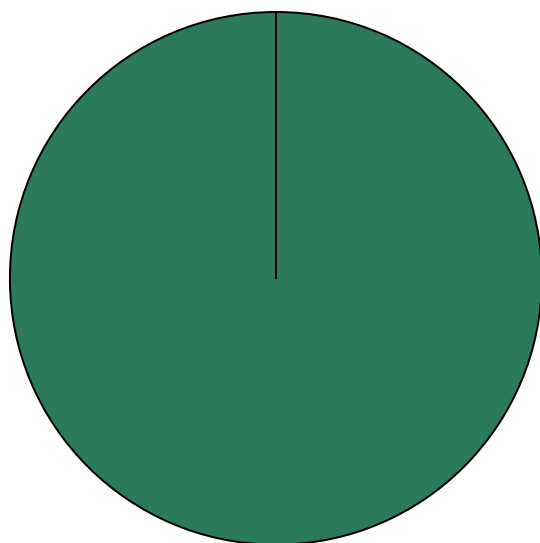
Gain / Loss Summary

	1 Quarter	Year To Date	1 Year
PRINCIPAL BOND AND MORTGAGE			
Beginning Market Value	13,697,529	13,697,529	16,168,890
Net Contributions	513,363	513,363	-158,595
Fees/Expenses	-680	-680	-680
Income	-	-	-
Gain/Loss	-26,034	-26,034	-1,825,437
Ending Market Value	14,184,177	14,184,177	14,184,177

Income includes income received and change in accrued income.

Asset Allocation by Segment

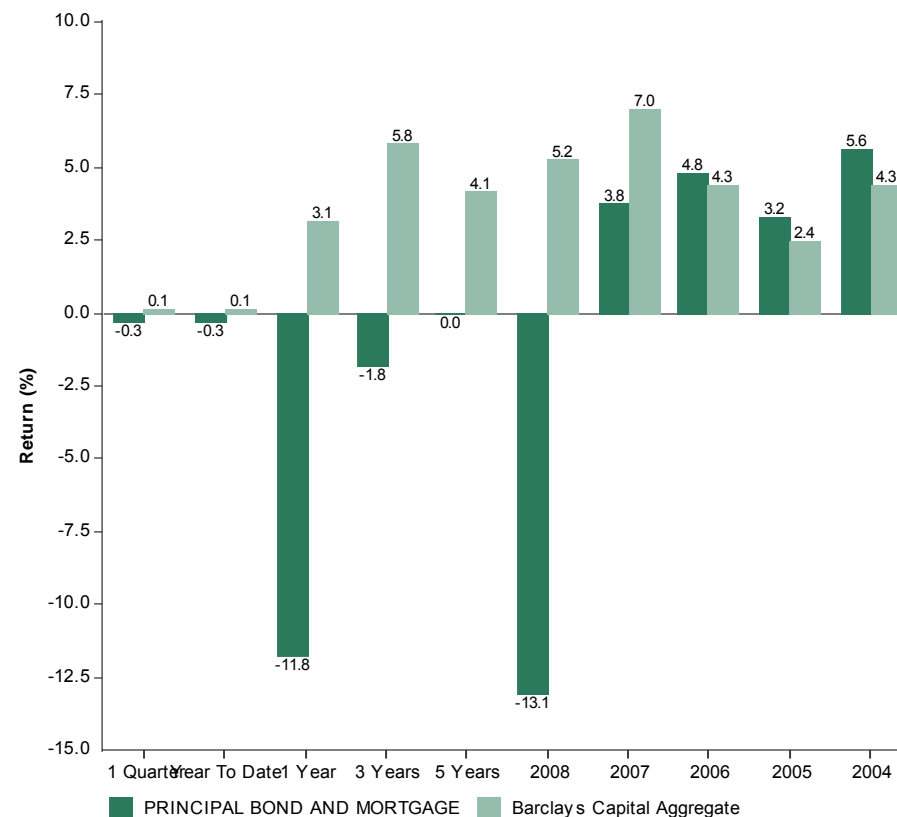
March 31, 2009 : \$14,184,177



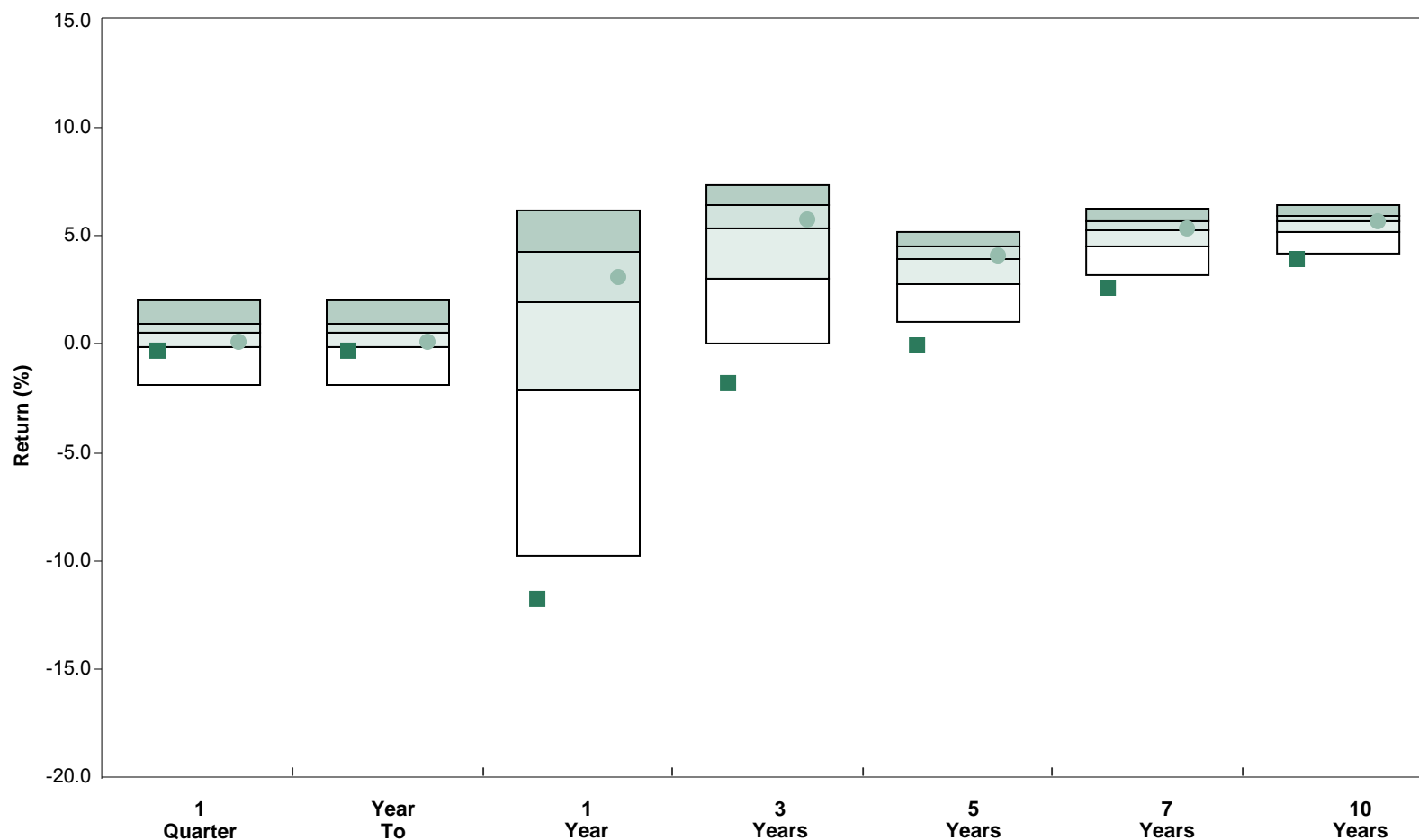
Segments	Market Value (\$)	Allocation (%)
■ Domestic Fixed Income	14,184,177	100.00

Cash allocation includes accrued income for the entire portfolio.

Performance Bar Chart



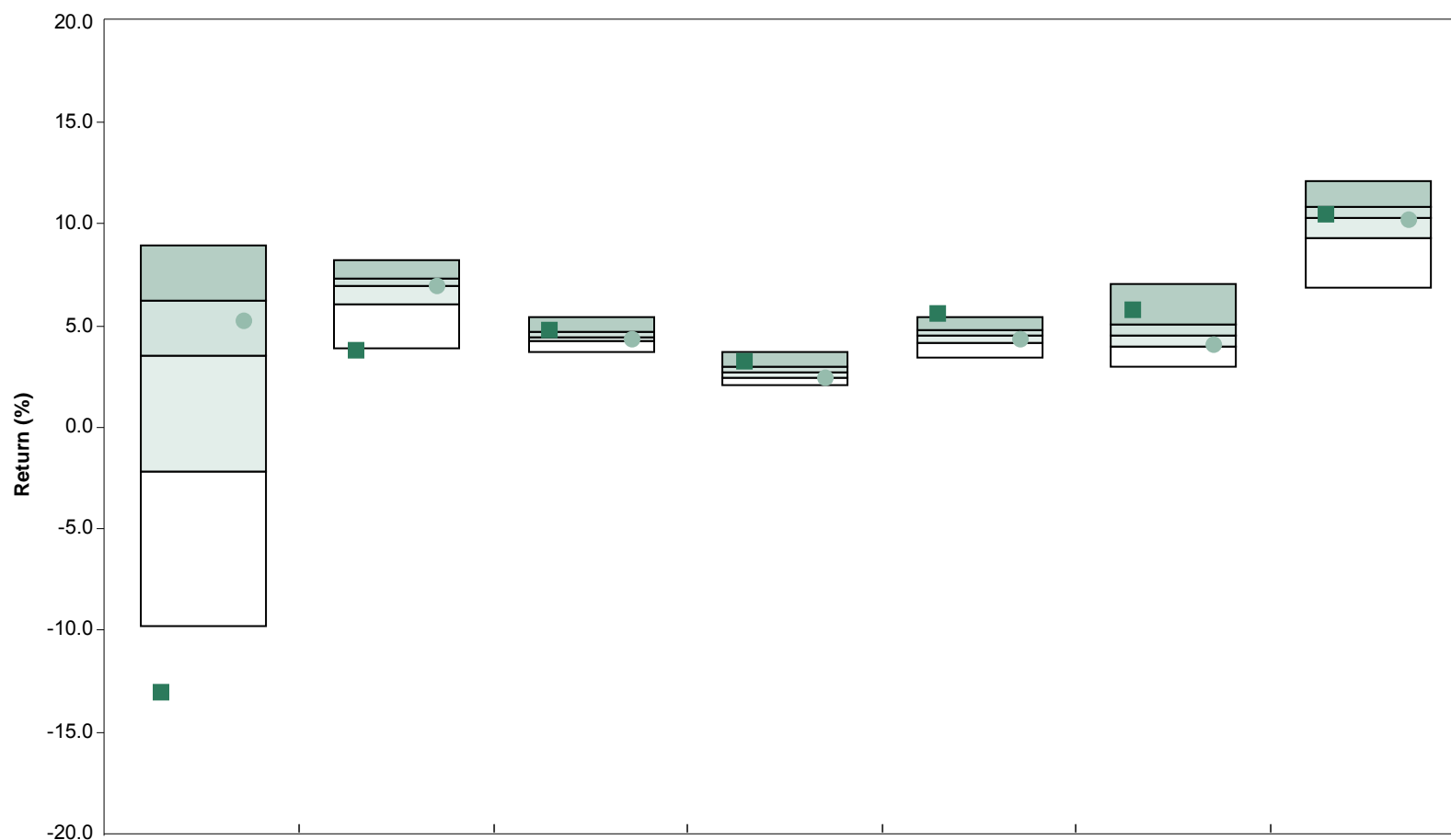
Peer Group Analysis - US Broad Market Core Fixed Income (SA+CF)



■ PRINCIPAL BOND AND MORTGAGE
 ● Barclays Capital Aggregate

5th Percentile	2.02	2.02	6.18	7.36	5.23	6.25	6.41
1st Quartile	0.98	0.98	4.31	6.40	4.54	5.70	5.92
Median	0.51	0.51	1.98	5.32	3.94	5.31	5.67
3rd Quartile	-0.13	-0.13	-2.13	3.02	2.82	4.53	5.16
95th Percentile	-1.84	-1.84	-9.81	0.04	1.00	3.22	4.18

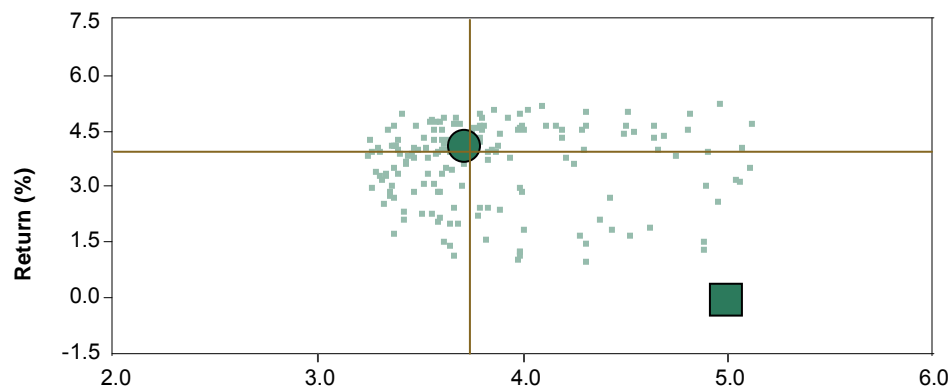
Peer Group Analysis - US Broad Market Core Fixed Income (SA+CF)



■ PRINCIPAL BOND AND MORTGAGE
 ● Barclays Capital Aggregate

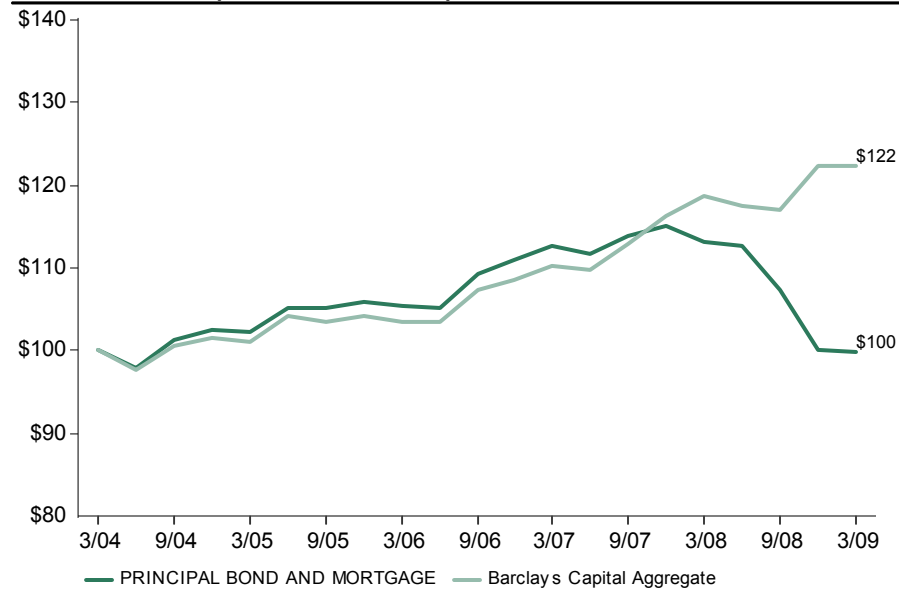
	2008	2007	2006	2005	2004	2003	2002
PRINCIPAL BOND AND MORTGAGE	-13.06 (97)	3.78 (96)	4.79 (18)	3.24 (11)	5.60 (4)	5.76 (14)	10.50 (42)
Barclays Capital Aggregate	5.24 (36)	6.97 (48)	4.34 (67)	2.43 (83)	4.34 (68)	4.11 (69)	10.27 (52)
5th Percentile	8.98	8.21	5.41	3.69	5.42	7.04	12.09
1st Quartile	6.21	7.33	4.71	2.96	4.83	5.10	10.89
Median	3.57	6.93	4.47	2.72	4.51	4.53	10.31
3rd Quartile	-2.14	6.08	4.23	2.47	4.19	3.96	9.29
95th Percentile	-9.74	3.94	3.75	2.07	3.47	3.00	6.88

Peer Group Scattergram (04/01/04 to 03/31/09)

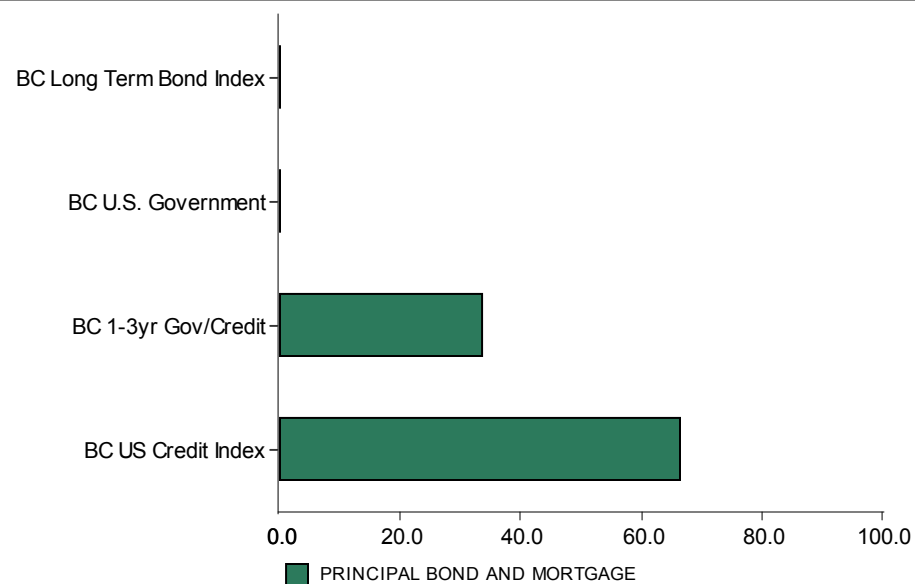


	Return	Standard Deviation
PRINCIPAL BOND AND MORTGAGE	-0.03	4.99
Barclays Capital Aggregate	4.13	3.71
Median	3.94	3.74

Growth of a Dollar (04/01/04 to 03/31/09)



Style Analysis



Calendar Years	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value	Income (\$)	Income % of Beginning Market Value
2002	-	-	-	17,707,268	N/A	100.00	-	0.00
2003	17,707,268	-	-594,177	17,113,091	5.76	105.76	-	0.00
2004	17,113,091	-	1,950,931	19,064,022	5.60	111.68	-	0.00
2005	19,064,022	-1,353,584	549,534	18,259,972	3.24	115.30	-	0.00
2006	18,259,972	-1,602,868	818,188	17,475,292	4.79	120.83	-	0.00
2007	17,475,292	-1,011,042	636,624	17,100,874	3.78	125.40	-	0.00
2008	17,100,874	-1,304,056	-2,099,289	13,697,529	-13.06	109.02	-	0.00
To 03/2009	13,697,529	512,683	-26,034	14,184,177	-0.27	108.72	-	0.00

Gain/Loss includes income received and change in accrued income for the period.

Manager Profile

Style: Real Estate

Benchmark: NCREIF ODCE Equal Weighted

Peer Group: N/A

Inception Date: April 1, 2008

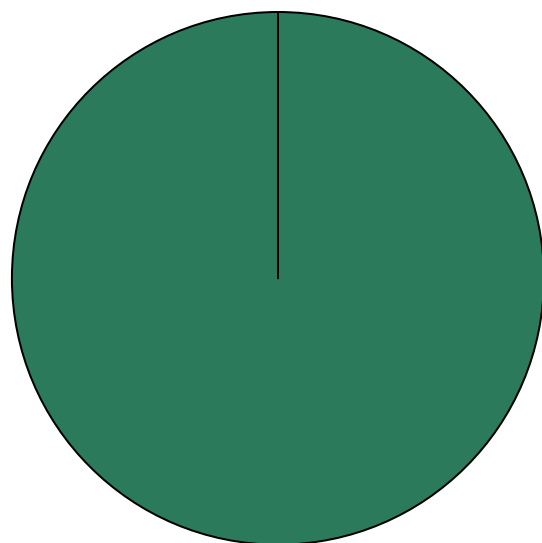
Gain / Loss Summary

	1 Quarter	Year To Date	1 Year
PRUDENTIAL REAL ESTATE INVESTORS			
Beginning Market Value	8,239,906	8,239,906	9,600,000
Net Contributions	-	-	-63,697
Fees/Expenses	-20,427	-20,427	-20,427
Income	-	-	-
Gain/Loss	-1,278,259	-1,278,259	-2,574,656
Ending Market Value	6,941,220	6,941,220	6,941,220

Income includes income received and change in accrued income.

Asset Allocation by Segment

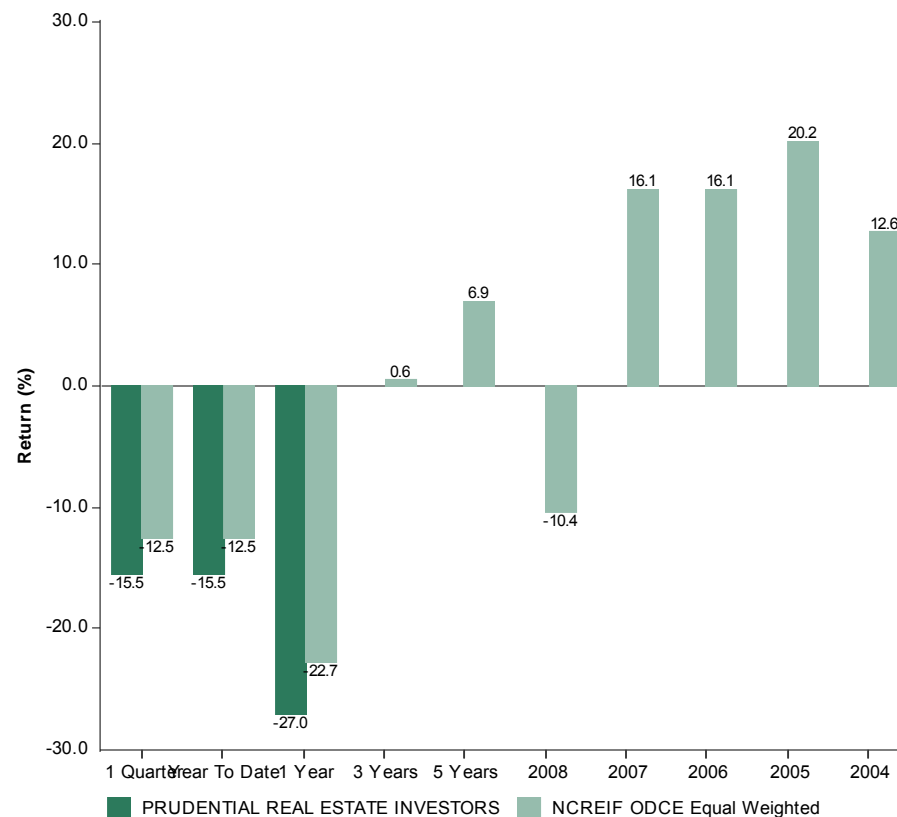
March 31, 2009 : \$6,941,220



Segments	Market Value (\$)	Allocation (%)
Real Estate	6,941,220	100.00

Cash allocation includes accrued income for the entire portfolio.

Performance Bar Chart



CITY OF ROCKVILLE
PRUDENTIAL REAL ESTATE INVESTORS
March 31, 2009

Calendar Years	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value	Income (\$)	Income % of Beginning Market Value
From 03/2008	-	-	-	8,239,906	N/A	100.00	-	0.00
To 03/2009	8,239,906	-20,427	-1,278,259	6,941,220	-15.51	84.49	-	0.00

Gain/Loss includes income received and change in accrued income for the period.